

Hon Mia Davies; Hon Helen Bullock; Hon James Chown; Hon Alison Xamon; Hon Max Trenorden; Hon Dr Sally Talbot; Deputy President; Hon Col Holt; Hon Wendy Duncan; Hon Ken Travers; Deputy Chairman; Hon Robin Chapple; Amendment altered.; Clause 10: Annual Report Of Department To Include Information About Fund —

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## ROYALTIES FOR REGIONS BILL 2009

### *Second Reading*

Resumed from 19 November.

**HON MIA DAVIES (Agricultural)** [8.54 pm]: I will recap my comments briefly, given that this is the third instalment, as I was interrupted on the last occasion. I was talking about the common themes that have been identified for royalties for regions expenditure, including access to education, quality health services and decent housing. They are some of the broad themes that we picked up on in our travels around the state. I will continue to read through some of the regional grants scheme projects that have been announced. I will not take too long —

**Hon Ken Travers:** Take as long as you need.

**Hon MIA DAVIES:** I thank the honourable member. Some of these projects identify and illustrate that the moneys are being spent on the issues that have been raised by some honourable members in their contributions to the second reading debate. In the Goldfields-Esperance region, the Rural Clinical School of Western Australia, which incorporates the University of Western Australia and the University of Notre Dame Australia, has invested some money in the western desert kidney project and the Esperance computerised tomography scanner project, which I am sure Hon Wendy Duncan could tell members about. Money has been invested to secure a CT scanner for Esperance District Hospital, which is vitally important for the health of people who live in that region. The Shire of Gnowangerup, through the Great Southern Development Commission, has chosen to apply for some money under the regional grants scheme to upgrade its medical centre. Shires and local community groups in the metropolitan area do not normally have to pay for their medical centres; they have access to these kinds of facilities as a matter of course. This centre has been prioritised by the shire and the community —

**Hon Ken Travers:** I think Wanneroo is doing a lot of work to get a GP clinic out there.

**Hon MIA DAVIES:** I thank the member; I stand corrected. That would be the exception rather than the norm.

**Hon Ken Travers:** I am not sure how much it's going to contribute, but it's certainly spending officer time and money, and I think it has put some finances into it as well.

**Hon MIA DAVIES:** That is excellent. But I suggest that that would be the exception rather than the norm.

The Shire of Jerramungup has applied for some money and been awarded \$200 000 for medical practitioners' accommodation. The Shire of Katanning is doing a feasibility study and design for aged housing, which is another incredibly crucial issue in our regions. Aged-care facilities are sadly lacking in a lot of regions.

Through the Great Southern Development Commission, the School Volunteer Program has mentors making a difference in schools. Members can see that we are hitting education, housing and health services through all these projects.

I may have already touched on the Wheatbelt Development Commission, so perhaps I will go to the Pilbara.

**Hon Col Holt:** Pick a region, any region!

**Hon MIA DAVIES:** Yes, members could pick a region, any region; there are so many fantastic projects. The Bloodwood Tree Association has applied for and received money for headworks for constructing a training and employment centre in South Hedland. That is a very important project. A project group called One Laptop per Child Australia has applied for funding for one laptop per Martu child in Parnngurr and Punmu. The Roebourne school has applied for funding for a leadership excursion to Canberra. These are things that some schools may take for granted, but they are very rarely done in the regions, particularly those that are so far away from the Perth metropolitan area, such as the Pilbara. The Young Men's Christian Association of Perth has applied for funding to contribute to the construction of a Karratha early learning centre.

These are all incredibly important programs that add to and improve the government's core spending on education, housing and all the rest of it. They are just some of the projects in the first round of the regional grants scheme that have been funded by royalties for regions. A lot of these projects relate to the provision of and access to amenities and services that are enjoyed by people in the metropolitan area. I think that is what people in the regions are striving to achieve. They do not necessarily want the Taj Mahal, but they are probably looking for some equity.

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I move now to the component of the program that has probably generated the most newsprint, commentary and criticism and that is the country local government fund. I will start by explaining why the country local government fund and the regional grants scheme exist.

Essentially, royalties for regions is about the devolution of decision making back to a local level. It was a little bit distressing to me to listen to some of the comments made in this house and to read some of the comments made in the other house by some members who suggested that local decision makers were not in the best position to prioritise what was needed for expenditure in their regions. It was suggested that perhaps some shires were being frivolous in their expenditure under the country local government fund. I, for one, have full faith that the shires of my electorate will spend the money very well. We need to be very careful about saying that, because I am not sure that I could make the best decision about the expenditure of funds in some of these places. I am certainly not on the ground in every single one of my shires often enough to be able to rank them in level of importance if we have a limited pot of money to spend. Who better to prioritise expenditure in a region than the people who live, work and invest there? It is actually a policy that encourages the participation of regional decision-makers, whether they be local government representatives or members of the boards of the regional development commissions—that is, to direct funds according to local priorities by local groups that have been set up. In addition to the governance requirements put in place by the Department of Regional Development and the Department of Treasury and Finance, while talking about the country local government fund, a number of other checks and balances have been put in place at a local level.

While preparing to speak on this bill, I did some research on the internet just to see what our shires are doing. I was pleasantly surprised to see how many local governments have listed on the internet how they have decided to spend and prioritise their country local government funding. I have picked out my home town in the Shire of Wyalkatchem to demonstrate an example of this process. I will read what it has on its website; namely, the process involved in coming to the decision on how to spend the \$600 000-odd it received under the country local government fund. It indicates that in December 2008, the royalties for regions program was launched, including funding for country local governments. The first payment was to be made in March 2009. Councillors and senior staff looked at the shires' plan for the future document to determine infrastructure priorities. In February 2009, a list of eligible funding for possible projects was presented to councillors. From this a revised list was made and a survey was sent out to the community to allow participants to list their top five priorities, or to add their own priorities if they were not on the list. At the February council meeting, councillors voted unanimously for the projects that were listed. That to me is a wonderful reflection of what royalties for regions is all about. It clearly demonstrates that communities have embraced it and gone right down to grassroots to prioritise what they want to spend this money on.

Members will know that in the first year each regional shire received a portion of the total amount allocated for the country local government fund. All that money was given to local governments. Into the out years this funding will focus on encouraging strategic regional groupings of councils to make investment decisions for significant regional projects. This pool of money will enable regional groupings to leverage funding from the commonwealth, the state and the private sector. Far from taking a scatter-gun approach, the Nationals and this government have been determined to empower and facilitate true regional decision making.

In the first year of the country local government fund there have been many vital projects funded. I will name just a few of them in my electorate, the Agricultural Region. The Shire of Beverley is building four retirement village units; the Shire of Boddington is constructing a new medical centre; and the Shire of Boyup Brook is looking at a sporting complex and extending its current airstrip, which we know is very important for the Royal Flying Doctor Service and for general aviation in the regions. The Shire of Brookton has a really interesting one on its books—a water harvesting project, which involves construction of a catchment and storage dam to capture and store stormwater and treat effluent water for use on its recreational areas. It is being clean and green with its funding. The Shire of Dalwallinu is looking at construction of a co-location building to include a telecentre, library and visitors centre. Members will have heard me speak about the importance of these telecentres. I went to the opening of a new community resource centre in Kellerberrin the other day with Hon Brendon Grylls, and I have to say that some of these facilities will be state-of-the-art hubs of government to enable people to find out exactly what is going on. When people are driving down the main street of the town, they can stop and visit one of these hubs. They provide wonderful services such as tourism information, places for local businesses to meet, and access to the internet. These shires have recognised that and they are planning for the future to make sure they capitalise on that opportunity. The Shire of Goomalling is looking to build some staff housing. That sounds ridiculous to some, because it is not something that generally shires would have to think about. Money will be spent on renewal of the roof of the doctor's house and the roofs of other residences, the upgrade of the caretaker's residence, the repainting of residences and the supply and installation of underground power. As I

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said before, they are not really sexy projects but they are all things that make people want to stay and work in regional towns, particularly doctors, nurses, teachers and police. It is very hard to attract people to some of these towns and this expenditure will make it that little bit easier. The shires have decided to make that a priority. The Newdegate shire is constructing a new medical facility as part of the town site rejuvenation project. I guess that is another example of the fact that they have plans for how they want to spend the money. This is enabling them to put that into place. They have keyed all these things into their town planning and their future planning. Newdegate is also building a childcare centre—another vital facility to enable young mums or dads to get back to work and contribute to the economy and ensure people can stay on in these towns. Often people leave when they cannot find appropriate work or they are unable to work because they have responsibilities at home. The Shire of Mt Marshall is building aged persons' homes with the construction of two-by-one units for aged persons. In Narrogin, stage 1 of construction of a Nyoongah heritage centre will be built, along with short-stay accommodation. There are many more. That is just the first round of the country local government fund expenditure.

It is far too easy for some members of Parliament or members of the public to be disparaging about some of the footpaths, toilet blocks and other projects we have heard about in the media. However, they remain very important to the amenity of these communities. I commend all the regional local governments and look forward to working very closely with them in my electorate to maximise the benefits they receive via this funding. I also point out that local governments are under no illusion that this money is a magic pudding or an endless packet of Tim Tams. They are more than aware that they need to plan for the upkeep and maintenance of the infrastructure they are building. They have been doing that for many years.

I was struck by an article Amanda O'Brien of *The Australian* wrote a couple of weeks ago titled "Windfall expected to transform regions". In particular, the following comments highlight just how important some of this funding really is —

It is a remarkable turnaround for regional areas, which have been short-changed for years with run-down services and facilities, despite producing much of the state's wealth.

Employers have repeatedly raised concerns about inadequate community facilities deterring people from moving to regional areas to work, a mantra which is again sparking alarm as the state prepares for thousands of new jobs when a string of resources projects gets under way next year.

She finishes with the following comments —

Tens of millions of dollars extra will be channelled into regional councils to revitalise buildings and infrastructure across the state, including roads, bridges, drainage, parks footpaths and cycleways, airports and sewerage systems.

The investment is expected to reap rewards as more people opt to live in the regions. Western Australia's population grew more than 20,000 in the first three months of the year, and is expected to rocket when the new projects start. At the height of the last boom, up to 1000 people a day moved to WA.

That is an astonishing statistic. This was a really positive article about royalties for regions so members could expect me to be reasonably pleased with it. However, the term "windfall" can be defined as money received that was not expected and not a direct result of something the recipient did. I utterly reject the notion that regional people have done nothing to deserve this funding. I wholeheartedly agree that it is not sustainable for this state to have everyone living in Perth or along the coastal fringe in the south west of the state. Aside from that, surprising as it may seem to some members, we do not all want to live in Perth, as Hon Wendy Duncan indicated in her first speech to this house and has said in this place many times since. Royalties for regions is not about creating a divide between the metropolitan area and the regions; it is about creating equity and making the best of what our beautiful state has to offer. We believe that what is good for the regions is, by virtue, good for the entire state. We could look at it as this government's regional economic stimulus package. It has done wonders. The royalties for regions money has delivered an infrastructure spend that has captured the imagination of government and the private sector. The Leader of the National Party has said that it has harnessed the leadership capacity of people from regional Western Australia and created a framework for ongoing investment.

This fund is a prime example of regional people punching above their weight. It is just four per cent of the entire state budget. It has been subject to the same efficiency reviews as every other government program. I recall that when the policy was conceived in 2006—when the Nationals made the historic decision to contest the state election as an independent political party seeking to gain the balance of power on behalf of regional Western

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Australians—we actually discussed what percentage of funding would be fair and just to direct back into the regions. Approximately 25 per cent of the state’s population live, work and invest outside the Perth metropolitan area and the narrow coastal strip between Mindarie and Margaret River. Members will note the direct correlation between this and the percentage of royalties that will be quarantined for investment into regional infrastructure and services over and above what is budgeted for in the out years in the state budget.

**Hon Ken Travers:** Do you accept that as a state we maintain not 100 per cent of the total royalties, but only about 30 per cent?

**Hon MIA DAVIES:** In the interest of time, I will not take any more interjections. I am sure Hon Wendy Duncan will address that in her response to the comments made by members in this second reading debate.

Although it might be that the Nationals campaigned on this policy and the Liberal and Labor Parties both agreed to support it, it is my view that royalties for regions actually belongs first and foremost to the people who will utilise this funding, leverage it to within an inch of its life, promote it and own it. This policy will be measured by its longevity. Every person in regional Western Australia is aware that the eyes of the state, and, in some cases, the nation, are focused on this program. It is a vital part of the government’s capacity to plan, build and deliver better outcomes for the state. I look forward to the day that the bill is enshrined in legislation for future generations.

**HON HELEN BULLOCK (Mining and Pastoral)** [9.12 pm]: Finally, Hon Mia Davies has run out of money in her contribution to the debate on the Royalties for Regions Bill 2009. I have never known that so much discretionary income could be spared by a Liberal government. Perhaps that is all there. I would like Hon Mia Davies’ job; that is, to be able to give so much money away—\$3 billion over the next four years. It makes one feel so powerful. Hon Mia Davies is certainly a philanthropist with taxpayers’ money.

Mr Deputy President, have you seen the movie titled *Sliding Doors*?

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** No, I have not.

**Hon Ed Dermer:** It is a very good film.

**Hon HELEN BULLOCK:** The movie pursues two scenarios. In the first scenario, a woman went to work and got sacked. She caught a train and went home and found her boyfriend was having an affair. She walked off and started a completely new and very successful life. In the second scenario, she again went to work and got sacked, but she missed the train. Of course, she missed finding out about her boyfriend’s affair and her life continued the same for a while. Eventually she found out about her boyfriend’s affair and she walked off and started a completely new and successful life. My point is that we often wonder what would happen if we did this or did that or what life would be like if we had done this or done that.

In the next four years the regions of Western Australia will benefit from the royalties for regions program by a total of \$3 billion. For 2009-10 alone the funds to be distributed will be \$644 million. The scheme will fund many great projects, such as the Country Age Pension Fuel Card, the Royal Flying Doctor Service, the Pilbara revitalisation plant, the Kimberley expansion project, the provision of housing for workers, and a top-up for Nickol Bay, Kalgoorlie and Albany hospitals. I often wonder that if we did not have a royalties for regions scheme how the Liberal government would allocate those funds; that is, \$3 billion in the next four years. Would a Liberal government not budget for the Country Age Pension Fuel Card? Would a Liberal government not budget for the Royal Flying Doctor Service? Would a Liberal government not budget for the Pilbara revitalisation plant? Would a Liberal government not budget for the Kimberley expansion project? Would a Liberal government not allocate more funding to Nickol Bay, Kalgoorlie and Albany hospitals? Of course a Liberal government would. The government would still allocate funds to all the important projects in regional Western Australia that are listed now under the heading, “Royalties for Regions” in the *2009-10 Budget Overview*. Perhaps it would be for different amounts and the priorities would be different.

With the current funding arrangement in place, we will see a river of money flowing to shires across regional Western Australia. Some shires are unsure about how to spend the money that they have been allocated. Members must remember that they have to spend their allocation before they can line up for future funding. Meanwhile, some essential services have had to borrow money from special funds to run their day-to-day business. The government does not have enough money to employ the much-needed additional 500 police officers to keep the whole of Western Australia in good order. These are just two examples.

Royalties for Regions is a commendable initiative, but Parliament needs to be vigilant to ensure that this initiative is not swept away by unconstrained and uncontrolled waste. In these financially difficult times, the

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government has an obligation to ensure on behalf of all Western Australians that government funds are responsibly deployed in the interests of the whole of Western Australia.

**HON JIM CHOWN (Agricultural)** [9.19 pm]: I am more that happy to contribute to the Royalties for Regions Bill 2009 debate. All speakers who have spoken before me supported royalties for regions, and I assume that Hon Helen Bullock has done so as well.

**Hon Helen Bullock:** You got that right, thank you.

**Hon JIM CHOWN:** I congratulate the National Party for coining the phrase “royalties for regions”. It reminds me of the Coca-Cola advertisement “The Real Thing”, but as far as I am concerned “royalties for regions” has a bit more effervescence to it. To some degree we are in government today because of it. In fact, I almost voted with the National Party but then I realised that the National Party could never form a government in its own right and it had to join the Liberal Party to do so. Royalties for regions would not have come about if the Liberal Party had not won 24 seats at the last election and then had the opportunity to join the National Party in a partnership arrangement with a couple of Independents. Once again, I congratulate the National Party.

The reality is that royalties for regions is a significant policy and program in rural and regional Western Australia. Both the National Party and the Liberal Party need to be congratulated for that. As Ken Travers noted earlier in his address, there has been some shifting of policies into royalties for regions. The Liberal Party went to the election campaign with significant policies that are also encompassed in royalties for regions. I will go through some of them. In May 2008 the Royal Flying Doctor Service went to the then Minister for Health in the Labor government, Jim McGinty, and asked for significant funds so that it could continue to operate. Jim McGinty labelled it as an interest group. I can assure everybody in this house and everybody in regional Western Australia that the Royal Flying Doctor Service is far from an interest group. In fact, last year it assisted more than 73 000 patients throughout Western Australia. It conducted more than 6 616 evacuations and inter-hospital transfers, all from regional Western Australia. It held 1 852 clinics, of which 31 535 patients attended. It is far from an interest group. The Royal Flying Doctor Service conducted 35 394 tele-calls and radio consultations to people in need. It has a fleet of 14 planes and flew 5.7 million kilometres over 19 000 hours and performed more than 15 000 landings. Prior to the election, the Liberal Party took all these statistics to the people as a campaign commitment. The Royal Flying Doctor Service is a significant aid to every Western Australian outside the metropolitan area. As such, we have allocated \$29.9 million from the royalties for regions fund for the Royal Flying Doctor Service. So, at this stage, a total of \$68.5 million has been allocated to the Royal Flying Doctor Service for the purchase of a new aircraft et cetera so it can service regional Western Australia.

Ord stage 2 is another Liberal policy that we took to the last state election. The Ord was opened in 1972 by Prime Minister William McMahon. Since then there has been much prevarication about the extension of the Ord, or Ord stage 2 as it is known today. Under royalties for regions this government has allocated \$220 million to Ord stage 2, in conjunction with \$195 million in commonwealth funding under the Infrastructure Australia program. In fact, I just spent three days in Kununurra with Hon Ken Baston and Hon Max Trenorden. I had never been there before. I was most interested to learn that there is a feeling of vibrancy about Ord stage 2 going forward under royalties for regions.

The northern towns development fund was another Liberal Party election commitment that has been fulfilled under royalties for regions. The 100<sup>th</sup> home in the Government Regional Officers’ Housing program was just finished last month in the town of Wagin. Under this program, overseen by the Minister for Housing and Works, 1 000 homes will be built throughout regional Western Australia for workers of all kinds, mainly government workers, including police, nurses and teachers. The patient assisted travel scheme is another Liberal policy that is encompassed by royalties for regions. We have increased the budget for that scheme by \$7.7 million. Royalties for regions funding for the patient assisted travel scheme is now \$30.8 million over three and a half years. It provides people with financial assistance to enable them to come to the metropolitan area to receive the medical services that they do not have access to in larger regional areas or their home towns.

The boarding away from home allowance was another election commitment that is also encompassed under this scheme. An extra \$7.5 million has been allocated, delivering a package of \$18 million over four years to increase the allowance from \$1 215 a student to \$2 000 a student. Higher education in the regions is hard to achieve. We do not have the facilities out there. The only place where some of these students can reach the pinnacle of their education is in the metropolitan area.

Nickol Bay Hospital has already been mentioned. Another Liberal election commitment was to fund a \$10 million program over four years. That was a rescue package that included \$7 million for housing, \$2 million for staff and \$1 million to assist in the renovation works. A total of \$3.6 million has been committed under

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royalties for regions in the 2009-10 budget as part of that \$10 million package. Redevelopment of Albany Regional Hospital is another Liberal Party commitment under the scheme, as is Kalgoorlie Regional Hospital.

I think this is an outstanding scheme. It is under the jurisdiction of one minister, which makes the allocation of funds much easier to achieve. As Hon Mia Davies pointed out in her address, a fair bit of self-determination is needed in allocating those funds and monitoring how they are used by local communities. Country people are a little independent; they do not use these moneys recklessly. In fact, they appreciate these moneys from government. I am sure that all these communities are responsible spenders. Other than that, I would like to say that I commend this policy, and I hope that after the committee stage it becomes legislation. This could become a historic moment for regional Western Australia.

**HON ALISON XAMON (East Metropolitan)** [9.27 pm]: I rise tonight to express a level of disquiet with this legislation. I know that I am not alone in my concerns, although I must admit that I had some hesitation in deciding whether I would speak in this debate on the Royalties for Regions Bill. We are hearing a lot from our regional members, which is great, but I am concerned that perhaps the sorts of things that are said behind the scenes are not being brought to the fore. The concern I have is that if anyone comes out to criticise this legislation, they run the risk of being falsely accused of being anti-regional Australia. Anyone who wishes to accuse me of that would be lying, and I would consider that to be quite malicious and certainly false. I consider myself to be pro people. It should not surprise anyone in this chamber to know that my priority has always been about the plight of our most marginal, disadvantaged and helpless Western Australians, whether they live in the regions or in metropolitan Perth.

My concerns with this legislation are essentially twofold. Firstly, I am concerned that there are not appropriate accountability measures within the legislation and that they are inadequate. Secondly, I am concerned that, as a result of that, we may find that portions of the money that is being allocated does not end up where I believe the money needs to be targeted, which is in those areas of desperate need. An important point to bear in mind when considering this bill is that royalties are an essential part of our overall state revenue. The money that has been diverted into royalties for regions comes from money that traditionally goes into the state coffers to pay for all those things that governments should and do spend money on, including those things we sometimes take for granted, such as education; health care, including mental health care; transport; child protection; environmental protection; police; and any number of essential services. Royalties are part of the state's normal income, not money that has been conjured up by the Minister for Regional Development. That is not to say that we should not have royalties for regions. As has been said, a form of royalties for regions, but not this one, has been incorporated into the policy of the Greens in the past. We have a responsibility to every Western Australian to ensure that the money that does go towards royalties for regions is spent wisely and spent in the areas of greatest need and where it will make the greatest difference to people's lives. The question I have and the question before us is: will the Royalties for Regions Bill ensure that this money achieves this very important purpose? The problems that have beset many communities in regional areas, and in particular Indigenous communities, are certainly significant. Many of these communities are vulnerable populations living at the core of hardship and poverty, which, at this point in history, should be to the great shame of all of us.

As a case in point, I draw members' attention to an article by Jessica Strutt in *The West Australian* published on 20 October. It details the challenges that are currently being faced by the people of Kununurra. The article describes shops being put out of business due to crime, children begging on the streets, child sexual abuse, and a severe shortage of accommodation and child protection services. I do not think it takes an enormous argument to convince people that money needs to be spent in Kununurra as a priority. The problems that have beset Kununurra will not be fixed by building a bowling green or giving the playgroup a makeover. I do not want to be too flippant about this, but, having said that, we know there is a huge disparity between many services and facilities between the metropolitan and some regional and remote areas. That is not in dispute—certainly not from me and certainly not from the Greens. I have not heard a single speaker dispute that either. I must admit to not having read *Hansard* from the other place, but, apart from that, I have not heard a single speaker attempt to dispute that point. I certainly will not dispute it either.

I will mention an area of particular concern that was identified by the Commissioner for Children and Young People; that is, the shortage of safe houses for women and children, and particularly Indigenous women and children in rural and remote areas. The commissioner also identified shortfalls in quality child care, in parenting advice and the availability of Aboriginal health workers in many Indigenous communities. In addition, increased mental health services and youth support services are needed. We need more programs to effectively address infant mortality rates for Indigenous Australians and programs that focus on improving Aboriginal educational outcomes. We certainly need more appropriate training as well as other ways to increase employment

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opportunities for young people in regional areas. Programs are needed to reduce the overrepresentation of young Aboriginal people in our justice system. Basically the list goes on.

We all know that there is a lot of need in our Indigenous communities. We also know there simply is not enough money in the pot to fund every single worthwhile project in regional WA, or, for that matter, in the metro area. I will certainly be the first to admit to this government that the previous government was not doing it a whole lot better either. As there is a finite pool of money, we need to prioritise our spending. One of the jobs of government is to make those hard decisions on where limited pools of public money should be spent. We know that is not an easy job. We obviously have a lot of disagreement in this place as to how that can be done. A hard job will become an impossible one when there is no adequate framework to ensure that the processes for determining that are rigorously conducted.

I know of the contents of another submission made by the Commissioner for Children and Young People to the Standing Committee on Estimates and Financial Operations' inquiry into the royalties for regions policy. The commissioner identified a lack of coordination in the delivery of services for children and young people in regional areas. She called for a child and youth plan to provide coordinated funding for programs that provide kids with activities outside school, including sport and cultural activities, as they have proven to be enormously beneficial to children and their communities.

The commissioner made a very good point and one which can be broadened to other areas; that is, the real needs of WA people cannot be addressed without coordination and collaboration by all service providers. Royalties for regions should not be operated in isolation without due consideration to service delivery. Strategic planning is necessary to ensure that funding reaches and is effective in areas of greatest need. There is no point spending hundreds of thousands of dollars on recreational or other facilities if the resources and local capacity is not there to sustain it. We have all heard stories of brand-new pools in recreational centres that have been closed due to a lack of staff or lack of funding for maintenance and upkeep. The programs that are funded must be based on sound evidence. We need to know they are a community's priority and there is capacity for sustainability.

It seems to me that an essential tension in the royalties for regions policy is the argument that this spending should be over and above the normal delivery of funds to the regions, yet clearly many of the things that have already been funded and are proposed to be given priority for future funding are in essence core areas of service delivery that have been chronically underfunded for a long time. This legislation fails to deal with that tension.

Last month Hon Mia Davies shared with this house a range of mental health programs that have been funded through royalties for regions. Obviously I applaud any initiatives to put money into mental health, but I am concerned that the government's commitment to mental health has been demonstrated through royalties for regions funding, particularly when our metro mental health services are currently being "de-funded" and when people in the east metro area are being denied adequate mental health services. Substituting royalties for regions funding to make up shortfalls in funding for mental health is not an acceptable outcome. The government's first priority should be adequate front-line delivery of essential services. It is not doing this at the moment. People should not have to fill in a grant application to receive an appropriate level of funding for education or mental health care in the community, whether they live in Broome or Armadale. I would hate it if the government saw royalties for regions as a way to get around the significant cuts it has made in other areas so that in the end people who live in the regions, as well as those who live in the metro area, end up worse off than was the case before this policy was introduced.

I support the inclusion of local decision making as an important part of the way funds are distributed. I recognise the argument that often people in the city are seen by people in regional areas as not being perhaps the best equipped to determine their needs. However, this is only going to work if there is appropriate accountability including adequate reporting and evaluation. Cost-benefit analysis also needs to be an essential part of the approvals process. The ideal situation would also involve some level of partnership with other areas of government so there is no duplication and that processes are fully transparent. I believe that organisations such as Lotterywest, existing local government grants programs or Tourism WA grants and other small grant schemes should be the first port of call for communities wanting to refurbish their playgroups or hold a community festival or refit their sporting halls where such things are not provided in normal government service delivery.

I know, being the mother of three children and having been involved with these sorts of organisations for many years, that every playgroup and toy library that I have been involved with has had to do this. In fact I still have to do this, although not quite as much. My husband is doing more of that these days. Good on him! It is really no different for metropolitan parents. I am not saying that royalties for regions is not providing funding for some really worthwhile causes, projects and programs. We keep hearing them over and over again. However, I am

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concerned that the people of Western Australia cannot be sure that the money is being spent wisely, because the legislative framework is simply so loose that it is not giving us any guarantees.

As noted by my colleague Hon Robin Chapple, this legislation does not contain appropriate mechanisms to ensure strategic management for the distribution of funds, or that the expenditure will provide a long-term, sustainable benefit, and target essential and important areas of need in a transparent way. If the government or the Minister for Regional Development is distributing up to \$1 billion of revenue, I for one want to be sure that the money will be spent wisely and sustainably. I want to know that it will be spent on projects that will make a real difference to people on the ground in regional communities; in particular, that it will make a difference in the long term to the most vulnerable members of those communities, including women and children, and in particular Indigenous women and children. I want to know that it will be distributed according to policy rather than politics. Instead of the program being royalties for regions, I would like it to be royalties for people. If that means that we need to put more money into regional and remote communities, that is absolutely fine.

**Hon Col Holt** interjected.

**Hon ALISON XAMON:** That is not what I said and I am disappointed that members have chosen to not hear what I am saying.

I believe the money needs to be distributed according to need. I have a different idea of need. Need to me is not about numbers; it is about the way people are living and where they are living, and about addressing issues of poverty and disadvantage. If that means that the majority of the money needs to go to the regions, that is where it should go. However, I am concerned that there are no accountability measures in place so that we can know that that is where it will go. I would hate to think that moneys were distributed solely on the basis of electorates rather than defining where the need really is.

**Hon Mia Davies** interjected.

**Hon Wendy Duncan** interjected.

**Hon ALISON XAMON:** I am sorry; there are two members talking at once and I cannot hear. I will continue responding.

The royalties for regions program is supposed to remedy the previous chronic lack of funding and the previous lack of the provision of adequate services and infrastructure to regional Western Australia. Historically, there certainly has been a huge problem with that. The program is supposed to support the fair allocation of the state's resources and the maintenance of vibrant regional communities. The Greens (WA) support the intent of the royalties for regions policy, but there is no guarantee that the current bill, without amendment, will deliver on those intentions. That is my grave concern. I want to make sure that this money goes to where the actual need is. It is disappointing that members are not hearing what I am saying when I am defining "need". Need is not about numbers. Need is not about where the majority of people live. Need is about dealing with disadvantage.

**HON MAX TRENORDEN (Agricultural)** [9.42 pm]: Like you, Mr Deputy President, I decided that I would not participate in this debate, but in listening to the drivel from members, I found an overwhelming desire to do so.

*Point of Order*

**Hon SALLY TALBOT:** Hon Max Trenorden might be used to a different set of rules, but I do not think "drivel" is a parliamentary term in this place.

**Hon Robyn McSweeney:** It should be.

**Hon SALLY TALBOT:** Yes, there are occasions.

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** I think I will let Hon Max Trenorden continue. The intent of the comment was not disparaging or pointed at any member in particular. Hon Max Trenorden, continue please.

*Debate Resumed*

**Hon MAX TRENORDEN:** Thank you, Mr Deputy President.

**Hon Ken Travers:** Just get on with your drivel, Max!

**Hon MAX TRENORDEN:** There is my handkerchief; Hon Ken Travers can wipe his chin first!



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I was at a wedding on Saturday evening with friends of my wife. Luckily, many people in the room did not know me. I was at a table having a general conversation with some people. All of a sudden the person next to me discovered I was a National Party member of Parliament and got stuck into me about how the regions were ripping money out of Perth and spending it inappropriately. I thought: I am at a wedding and it is not the appropriate time to say a few things that I would like to say. As I took a deep breath to get into him anyway, the whole table attacked that individual. Every one of those people was from the western suburbs of Perth and said to a person, in variation, “About time the regions were recognised; about time the regions had a go.”

I have just listened to some of the drivel from members of this place. If we look at the health budget, we can see that for years—admittedly through the Court-Cowan government and seven years of the Labor Party—country health services were cut back by two or three per cent in every one of those budgets.

**Hon Alison Xamon:** And that is a disgrace!

**Hon MAX TRENORDEN:** Yes, but who did it?

**Hon Alison Xamon:** Not us.

**Hon MAX TRENORDEN:** You were a part of it!

**Hon Alison Xamon:** I have been a member of this place for six months!

**Hon MAX TRENORDEN:** The Greens (WA) were a part of it.

What happened to metropolitan Perth? Every time the metropolitan health department wanted more money, it just took it—whether it was from the budget of Hon Jim McGinty, the former Minister for Health, or from the current budget. Whenever Perth wants money for health services, the health department just takes it, but that does not happen in the country. Then members of this place of all places say that money will be spent inappropriately.

**Hon Alison Xamon:** We don't know.

**Hon MAX TRENORDEN:** I will speak only for a short time.

**Hon Ken Travers** interjected.

**Hon MAX TRENORDEN:** I am happy to contribute like Hon Ken Travers does.

No member of this chamber has spent more time than I on a public accounts committee or a similar committee of this house, such as the Standing Committee on Public Administration, which I currently chair. I have spent more than 10 years examining audits. I challenge any member to debate me on any sizeable program that has a better audit outcome than the royalties for regions program. This bill is an outstanding first effort for the royalties for regions program. I will debate that with any member who wants to debate it because it is a fact.

Several members interjected.

**Hon MAX TRENORDEN:** It is an outstanding tick for the royalties for regions program. Any member who thinks otherwise is running straight out of his or her political pocket. Go and have a look at the audit. Be fair. Read the Auditor General's report. Read what the Auditor General said.

**Hon Alison Xamon:** We've already done it.

**Hon MAX TRENORDEN:** No, Hon Alison Xamon has not. I just heard her speech. She has no idea of what the Auditor General's report said. I have read it.

**Hon Alison Xamon:** I don't think you care whether or not there are accountability measures.

**Hon MAX TRENORDEN:** That is very nice! I have been a member of Parliament for 23 years and I do not care! That is all right. The Greens' argument is that we should throw the money to where the people are. We just heard the debate.

**Hon Alison Xamon:** That's not what we said; we said to where the need is.

**Hon MAX TRENORDEN:** How long have we been hearing that in the darkness, Mr Deputy President? Four years.

**Hon Ken Travers:** And they think it's bad when the major parties blue!

**Hon MAX TRENORDEN:** That is something I will stand in this place and defend. When I was the member for Avon in the last four years of the Labor administration, my electorate got nothing—for four years, nothing! I will answer Hon Helen Bullock's question about whether I really think that those people would not get the money

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without this bill. Yes, I really think that. I know it. When I was a member of the other place my electorate got no allocation at all in the last four budgets of the Labor Party. Our legal representation was taken away by Hon Jim McGinty. I could list a range of services that were withdrawn from the central wheatbelt by the Labor Party, which was supported by the Greens. This is a program that country people are really passionate about.

**Hon Robin Chapple** interjected.

**Hon MAX TRENORDEN:** I caution those members who are negative about this program: test its popularity first. The reason it is popular is that the bulk of people in Western Australia regard it as fair, as the Auditor General did. It is fair. This is an excellent program and it will deliver well for the people of Western Australia for a long time. Please, Greens, keep opposing it; and, please, Labor, keep opposing it.

**HON SALLY TALBOT (South West)** [9.50 pm]: One thing that has happened, not only in Australia but also all over the world, is that conservative parties have been very successful at commandeering the language. For example, we cannot argue about family values now without being accused of being anti-family. We cannot argue about national security without being accused of being disloyal or unpatriotic.

**Hon Ken Travers:** Pro-terrorist.

**Hon SALLY TALBOT:** Or pro-terrorist, I thank Hon Ken Travers.

Look what has happened in this place: the Liberal-National government has now done it to regional funding so that when we talk about the need for transparency and accountability in a program such as royalties for regions, we are howled down by people like Hon Max Trenorden who simply think that if they raise their voices, speak louder and have a go at people in a personal sense, then —

Several members interjected.

**The DEPUTY PRESIDENT (Hon Michael Mischin):** Order, members! Hon Sally Talbot.

**Hon Ken Travers** interjected.

**The DEPUTY PRESIDENT:** I am sorry; I gave the call to Hon Sally Talbot.

**Hon SALLY TALBOT:** Thank you, Mr Deputy President. People like Hon Max Trenorden think that if they shout loud enough, we will all listen to them and that makes it all right. However, it does not make it all right. With the greatest respect to Hon Mia Davies, whose speech I listened to very carefully and who I think gave a very careful and considered response in her contribution to the second reading debate on the Royalties for Regions Bill 2009, I thought it was a bit cute to start with the Robert Taylor article, which she quoted from extremely selectively. For example, she did not tell honourable members that the article on 13 November in *The West Australian* was entitled “Regions rolling in royalties as band-aids cover a broke capital city”.

She also did not read the second paragraph in which Robert Taylor stated —

And what’s more, when *The West Australian* dropped in on just one small shire which received over \$1 million in Royalties for Regions funds yesterday we were told they didn’t really need the money but, hey, why look a gift horse in the mouth?

Mr Taylor went on to talk about the three component programs in the royalties for regions scheme. He stated —

It’s the first two where the pot at the end of the rainbow exists for everything from tree planting to skate parks and town hall refurbishments.

In fact, if you live in the bush and your local town hall, bowling club, swimming pool, arts and craft building or nature walk isn’t getting a spruce up you should immediately check to see if the shire CEO has debunked for the Bahamas.

Mr Taylor finished the article by saying —

There are literally hundreds of projects being funded by Royalties for Regions and next year and the year after and the year after that, country authorities will have to come up with even more because the money will keep rolling out.

Meanwhile, in the city WHERE ALL THE PEOPLE LIVE, the Government has sent audit teams to scour for savings on paperclips while in the suburbs police shepherd schoolchildren across busy roads.

What we are hearing from the Liberals and the Nationals is something that we have become very used to over the past 12 months of sitting in this place with them; that is, they stand and say, “Because we say it, it must be true.” There is no argument about these things; they run a mile every time we talk about accountability and

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transparency. Therefore, they stand and talk about regional decision making, spending on health and education and about accountability, but when we actually look at the details of the bill, we see that those are the very things that are missing.

The point I was making about this commandeering of the language when I started my contribution is that when we talk about the need for real accountability, we are talking about delivering real programs for regional Western Australia, which is exactly what we did in our two terms of government. I can demonstrate this, and members opposite might just want to listen. I am not sure how far back some members' political memories go in this state but I suspect it is not all that far. When we launched the Country Labor movement within the Western Australian Labor Party, we did it in Collie, which was partly, of course, a tribute to the work that Mick Murray does there as the local member.

**Hon Robyn McSweeney** interjected.

**Hon SALLY TALBOT:** Hon Robyn McSweeney should go and talk to some people down there.

**Hon Robyn McSweeney:** You hardly ever come out of Mandurah, so how would you know what Mick Murray does at Collie?

**Hon SALLY TALBOT:** I know perfectly well what Mick does in Collie. One need only read the local papers every week to see what he is doing, and the level of support he has.

Several members interjected.

**The DEPUTY PRESIDENT (Hon Michael Mischin):** Order!

**Hon SALLY TALBOT:** Thank you, Mr Deputy President. I have forgotten where I was, and may just have to go back and repeat some of this. I was talking about the Country Labor launch in Collie.

**Hon Robyn McSweeney:** What Country Labor?

**Hon SALLY TALBOT:** I will fill Hon Robyn McSweeney in a bit later. I know that at some stage tonight —

Several members interjected.

**Hon SALLY TALBOT:** No; “fill you in” is just a colloquial term for bringing someone up to date, or up to speed; filling in some of the gaps in her understanding. I will be very happy to do that.

**The DEPUTY PRESIDENT:** Order! Perhaps Hon Sally Talbot should direct her remarks to the Chair; then we could proceed.

**Hon SALLY TALBOT:** I am very happy to do that, Mr Deputy President.

When we launched Country Labor in Collie a few years ago, the then Premier, Geoff Gallop, made the point that, as leader of the opposition before the 2001 election, he had led a delegation of his shadow ministers around regional Western Australia and listened to the stories. The stories that they came back with at that stage from every small town and regional community were about decline and lack of any sort of interest from the Liberal government in Perth. About five years later, when we launched Country Labor, the Premier had just undertaken another tour of regional Western Australia. Lots of problems were still being raised, obviously. Introducing prosperity to a community does not necessarily mean that new challenges do not arise. However, the stories were at the opposite end of the spectrum to those we had been hearing five years before. The stories, after one term of Labor government, were about the need for more facilities and more resources to be made available because people were moving back into the country towns, and the country towns basically were bursting at the seams. Under the Labor government, we had made them attractive places to live. Do not tell us that we did not deliver for country Western Australia, because we did.

The comment I want to make about this bill, in line with all the other comments from this side of the house, including Hon Alison Xamon, is that the bill does not deliver what it promises. The bill is full of flash words and fancy rhetoric but it does not deliver what it says it will. I will leave most of my comments until the committee stage because that will provide a chance for us to ask the parliamentary secretary for some explanation about some of the details of things that we believe the bill does not deliver on. Before I leave the contribution of Hon Mia Davies, I want to make a couple of remarks about the comments she made about royalties for regions delivering every Martu child a laptop. That is a highly commendable objective, and one from which nobody in this house would resile, but I ask for some clear, demonstrative proof that, within this Royalties for Regions Bill, there are measures that would ensure that the power is on to the house. The government's record on the delivery of power to remote and regional communities in the 15 months it has been in government has been absolutely

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woeful. To talk about giving every Martu child a laptop is just empty rhetoric. We would like some assurance and we would like to read in this bill that there is some provision to deliver proper, reliable power supplies to country communities and, indeed, to see that the Martu child actually has a decent house to live in. That goes to the heart of our concerns about this bill. That goes to the heart of our concerns about this empty rhetoric that the government is pretty flash at rolling out, but we fear that they are empty words.

I will make some brief comments about three aspects of the bill and then I will leave the rest of my comments for the committee stage. The first comment is about the money for schools and hospitals. The second reading speech specifically says —

The central and simple principle behind this legislation is that every person in Western Australia should be entitled to basic services and infrastructure no matter where they live—schools, hospitals, government services and recreation and sporting facilities—as well as the ability to develop business and economic prosperity. However, this legislation is not just about structural development. It is about people being encouraged to live and grow within their communities, to bring up families without having to move to cities for education or health services, to become long-term residents and to drive and plan the future of their own communities.

They are absolutely first-class objectives with which nobody on this side of the chamber would disagree. But I ask the parliamentary secretary: where is the detail in this bill about spending on schools and hospitals? It is in the second reading speech. It is very eloquently expressed in the second reading speech, but the bill is absolutely silent. Adding to my concerns about money for schools and hospitals is the statement by the Premier—I believe the Treasurer also made comments along these lines, although I have not been able to source them—that royalties for regions money is not to be used for services and facilities normally funded by government departments and agencies. I cannot make those two statements come together. If the money is going on schools and hospitals, on health and education services, that is a good thing. Of course it is a good thing. But where in this bill is there any evidence of that? What is the parliamentary secretary's response to the Premier's instruction that none of this money is to be used for services and facilities normally funded by government departments and agencies?

Before I make my second point, I acknowledge my colleague from the South West Region Hon Adele Farina, who is not able to be here tonight because she is absent from the chamber on urgent parliamentary business. I have had very extensive feedback from her. Because she could not be here to make her contribution to the debate, we have had some exchanges about the sorts of issues that she wanted to raise, and if members detect an element of Hon Adele Farina's words in these comments, that is quite true; we have had considerable discussion about the bill. The second point is about local decision making. Again, that is not a matter that anybody on this side of the house would resile from; it is very good to have local people making local decisions. But the reality is that no local decision making has been provided for in relation to the most substantial of the three funds set up by this bill, the regional infrastructure and headworks fund. How can that be? The decision making in relation to the regional infrastructure and headworks fund will be done by the trust and by cabinet. Ultimately, it will be done by the Treasurer. Where is the local decision making in that? Again, I put it to the parliamentary secretary that that is fine rhetoric. It is rhetoric that everybody in this house would subscribe to, but where is the evidence in the bill that it is backed up by any substantive measures for which this government can be held accountable by the very regional communities that it purports to serve?

The third point I want to make is about the Western Australian Regional Development Trust. I read in the second reading speech that the trust will provide the minister with independent and impartial advice on the allocation of moneys from the royalties for regions fund to each of the subsidiary accounts. The reality, as can be seen in the legislation, is that the Treasurer makes that determination. The Treasurer may listen to the advice. It appears that not even the minister has the authority to make the ultimate decision. It reads very much to us as though the Treasurer has a veto over any recommendations that come to him, whether they be from the trust or from the minister.

Just before I conclude my remarks, while I am still on the topic of the way the trust works, it seems to me that in this business, professional parliamentarians are very used to meetings and to understanding meeting procedure and that different forums have different powers. It seems to me that the WA Regional Development Trust provisions in this bill are highly deficient when it comes to questions about openness, transparency and, most importantly, accountability. I think they are deficient in five areas. I find no reference in the bill to what would constitute a quorum for meetings of the trust. Surely we are not setting up provisions that allow one person to formulate recommendations on his own. I find no reference to whether the minutes of the trust meetings will be

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made public, and indeed, on that topic, whether the minutes will be quarantined from freedom of information provisions.

The conflict of interest provisions relating to trust members ring very loud warning bells. I note there are provisions for direct and indirect pecuniary interests to be declared. But in a most extraordinary section of the bill that provides for declarations of conflicts of interest, it allows members who have indicated a conflict of interest to still take part in the deliberations. I cannot see why we have provisions in place for local government that are much more stringent than that. I cannot see why we would want a weaker set of conflict of interest provisions for the workings of the trust. I refer now to the resolution of disputes. I believe we are talking about even numbers. How would a dispute be resolved? Does the chair have a casting vote? The bill is silent on that.

The final point is about length of terms. I am not absolutely certain of my ground on terms served on development commissions. Members might be able to put me right, but my belief is that people who serve as members of development commissions are limited in the number of terms they can serve. I think it is limited to three. I do not know whether the parliamentary secretary can indicate by way of interjection whether I am right. I think people who serve on regional development commissions are limited to serving three terms. The parliamentary secretary has indicated that I am right. There is a very good reason for that. These sorts of bodies need new blood and fresh ideas. I cannot see why a similar provision would not apply to members of the trust. With that point, I will leave my remarks and pursue a couple of those points in committee.

**HON COL HOLT (South West)** [10.00 pm]: I will take time to add my two bob's worth to this debate. I will concentrate on the regional and local decision-making process that the royalties for regions policy is about. I recognise that the royalties for regions scheme is a very important part of our state's development program, just like the other 96 per cent of the funds that the state receives are an important part of our development program. It is all part of our way of building the state. The four per cent that is for royalties for regions just happens to be for regional Western Australia.

I will talk about the country local government fund. I would suggest that many members either have experience with or have served on local government. They know that it is the most accountable level of government because it is the community interface. All members who have worked in local government know that, as soon as they do something wrong, they are told about it well and truly by the people who live in the area and whom the members represent on the local council. That happens over and over again. Local government is at the coalface of making decisions on behalf of the community. One of the strengths of the country local government fund is that the people must be held to account and be answerable to the local community about how the funds are spent. Local decision making is about the empowerment of local communities. We often talk about the change that is sweeping across regional Western Australia because of that fund. People are empowered because they feel that they have control of their lives and where the government funding can be spent. The funding is not just about infrastructure. A lot of it is spent on social infrastructure projects, which is very important. We need to develop the people in the regions. Infrastructure is being built around them and we need to put in place projects and programs that build people's ability to work with the new funds that come with the new infrastructure.

There are plenty of examples of the money that has been spent on social infrastructure, and I will quickly refer to just some of them. I will not take up too much time of the house because we have heard from just about every member about some of the things that are going on. I will mention the visiting volunteer program in Esperance and the hidden treasures 2020 program in the Shire of Gnowangerup. Members should see that project because it is about local people developing their own tourism precinct and ideas. I will talk about some of the things that are going on in the Kimberley because they are very important. As Hon Alison Xamon said, the focus on Indigenous issues is very important. The Blank Page Summit on Suicide, the Breakfast Club: Bran Nue Dae Community Care Services and the sharing and caring project are all about people and social interactions in the Kimberley. Other programs include Wings to Fly: Our Place, Our World, Our Future by Kimberley Institute Ltd; and the Fitzroy Valley Men's Shed. They are all great social infrastructure projects, in my opinion.

I will talk about the ability of local decision makers to get it right in some instances. I will refer to some of the programs that were funded in 2008-09 by the regional grants scheme under the royalties for regions program. Some of the infrastructure spend included funding for the Shark Bay community recreation centre, the Jerramungup Sports Club and cultural precinct, the extension of the Mt Barker community centre, the upgrade of the Woodanilling Recreation Precinct, and the Mowanjum Art and Culture centre. They are five examples of investing in a community centre or a building so that people can do things. That is a great thing.

In 2007-08 the Gnowangerup Community Resource Centre was funded under the regional grants scheme that was administered by former minister Hon Jon Ford during the term of the previous government. That was a good

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decision then and the royalties for regions schemes that have been funded over the past 12 months have also been good. They are similar projects.

Other arts projects that go beyond just bricks and mortar include the Marlu Kuru Kuru women's art project in Laverton, the Pilbara performing arts program and the infamous CowParade in Margaret River. They are all good projects. CowParade was funded last year. In 2006-07 funding was provided for the Indigenous festival of Australia, as part of which Croc Festivals were held in Halls Creek and Meekatharra and the Million Puppet Project was performed in the Gascoyne and Pilbara by Spare Parts Puppet Theatre. These projects were the result of local decision making through royalties for regions, and others were funded through the Western Australian Regional Initiatives Scheme, perhaps not through local decision making. However, they were good projects. They are similar projects with similar outcomes. It goes to show that local decision making gets it right.

Another project that was funded through the regional grants scheme was the Munda Biddi Trail Foundation. I notice that in 2006-07 the WARIS funding allocated money to the Munda Biddi Trail Foundation as well. Obviously it is recognised that these are important projects, not only at a local level, where the decision making is undertaken, but also at various levels of government. That is one of the strengths of the royalties for regions program and obviously I support this bill.

**HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary)** [10.15 pm] — in reply: I have given all members the opportunity to speak on this historic bill. I thank members from all sides of the house for their contributions to the debate on the Royalties for Regions Bill 2009.

Royalties for regions came from the people of Western Australia. The Nationals, when they travelled the length and breadth of the state, repeatedly heard about the wilful neglect and consistent underfunding of regional communities. We heard about Indigenous children suffering in squalor and neglect in the north. We heard about people living in sea containers and caravans in the Pilbara paying thousands of dollars in weekly rent. We saw sewage in the streets of Wiluna. We heard about the Kalgoorlie Regional Hospital being underfunded. We heard about the Royal Flying Doctor Service being called an "interest group" while undertaking 80 per cent of its work transporting government patients. We heard the WA Country Health Service being described as "blatantly bloody unsafe" by its recently retired chief executive officer. This took place against a backdrop of unprecedented wealth generated by the state's resources industry. Regional Western Australia had had enough of working so hard in contributing to the state's and the nation's wealth, yet being ignored when it came to distributing the spoils. That is how royalties for regions was born. It was a promise to return the equivalent of 25 per cent of royalties to regional projects, infrastructure and community services.

The state election clearly showed that there is a mandate for this policy. Subsequent polling in the media indicated that about 80 per cent of Western Australians, including city dwellers, support this policy. I am immensely proud to have been part of the team that delivered this policy to Western Australia and look forward to a similar strategy being provided Australia-wide.

This bill provides for the operation of the royalties for regions fund and subsidiary accounts to establish the Western Australian Regional Development Trust for related purposes, including the provision of services and facilities to the trust. The bill is overdue and long awaited. We have been greatly encouraged by the expressions of support for royalties for regions.

I will flip through the matters I set aside to refer to this evening, because I appreciate the willingness of members to stay back this evening to finish consideration of this bill. I will quickly cover the central principles. As has been debated this evening, the bill provides for local decision making in regional areas; to empower local communities to make decisions about their own needs; to preserve the flexibility of the regions to determine and plan for their own priorities; and to enable regions to voice decisions based on a thorough understanding of local issues that affect them.

State government administration and processes should provide for and support decision making in regional areas. Transparency, proper governance and accountability are in place. The legislation will provide for the equivalent of 25 per cent of mining and onshore petroleum royalty revenue each year to be invested in regional Western Australia. It will be distributed to the nine regions in Western Australia defined in the Regional Development Commissions Act 1993. The total balance of the royalties has been capped at \$1 billion a year at any one time. The royalties estimates are provided by the Department of Treasury and Finance in consultation with the Department of Mines and Petroleum. Royalties are subject to international market forces and currency movements. In 2008-09, \$334 million was allocated and a total of \$3.05 billion has been committed over five years to royalties for regions.

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As was noted in the debate this evening by Hon Jim Chown and other members in the house, the funds have been allocated on a mixture of election promises, tied and contestable funding, and address the broad range of issues that have been identified as needing to be addressed in regional Western Australia. The Department of Regional Development and Lands manages the royalties for regions, and it involves all of the government and requires close collaboration across government departments. Some members who have spoken this evening said that we should not be operating in isolation. I assure members that we are not, and I will elaborate later on that point with examples of where we work in collaboration with other government agencies, private enterprises and, of course, the federal government.

The funded agencies and organisations provide quarterly reports on their expenditure and progress. This allows the Department of Regional Development and Lands to amend the disbursement profiles every quarter and advise on unspent funds that could be redirected due to changing circumstances. The \$1 billion cap guarantees that the funds allocated are spent according to set time lines, and negates delaying tactics for projects or stockpiling for elections. The three funds are identified in the bill. I think we have discussed them quite thoroughly this evening. They are the country local government fund, the regional community services fund and the regional infrastructure and headworks fund. The approvals processes for these funds have been identified. Until the passage of this bill, each new project requires initial cabinet and Economic and Expenditure Reform Committee endorsement.

The legislation establishes the Western Australian Regional Development Trust and its functions, and provides criteria for membership and governance by which the trust operates. The major regional projects division of the Department of Regional Development and Lands was established to administer and coordinate the implementation of royalties for regions, and funds allocated under the program are managed by local governments, regional development commissions and individual government agencies. The department is responsible for defining the rules and performance requirements for the program. It does so in consultation with other state government agencies, local governments, peak regional development organisations, the commonwealth government and local communities. It is responsible for establishing the reporting requirements and monitoring the performance of allocated funds. It has processes in place to ensure conformance and performance to get the best outcome from expenditure for these funds. The governance framework ensures that strategies are prepared to enhance royalties for regions performance. It takes into account the principles by which royalties for regions is controlled and held accountable. Its development includes reviews of a range of national and international approaches. Risk identification and assessment processes have been carried out as the program has been developed. The current plan is independently reviewed. In the process of the plan being developed and the funding being allocated, there has been consultation not only with the Auditor General, but also with the Corruption and Crime Commission to ensure that all aspects of this are properly considered.

The evaluation framework is being developed to ensure that projects are implemented according to the principles underlying royalties for regions. This will enable issues and delays to be identified early so that they can be resolved without disruption or contention. It includes the establishment of auditing and probity requirements and clearly articulates minimum standards required for governance and financial management. The monitoring framework will ensure regular collection and analysis of information to help with timely decision making. The Department of Regional Development and Lands is responsible for developing and maintaining a standardised implementation and reporting framework. Memorandums of understanding with government agencies and financial assistance agreements that are legally enforceable have been put in place to ensure that the outcomes are achieved and that the money is appropriated to ensure that the investment is made strategically in areas of greatest need.

I will turn now to some of the comments made by honourable members in their speeches this evening and on other days. I thank them across the board for their support for this bill and for royalties for regions. We also greatly appreciate the suggestions that have been made about governance and accountability. Nobody is more aware than we are—including the Minister for Regional Development and his department—of the scrutiny that this bill and this program are under. For the benefit of the people of regional Western Australia, the state and the nation, we know more than anybody that we need to get this right.

Hon Jon Ford drew attention to the Auditor General's review of the operation of royalties for regions so far. Quite predictably, the media and some honourable members opposite focused on some of the issues that the Auditor General raised about royalties for regions and some of the perceived weaknesses in how the program has been rolled out so far. We accept those comments by the Auditor General. The department and the minister are working to ensure that the Auditor General's recommendations are acted upon. The Auditor General stated —

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... the framework should provide appropriate accountability for the funds and ensure that processes are in place for the communication, implementation, monitoring and evaluation of the program.

The Auditor General noted that there has been a lag in getting the framework up and running with the rollout of royalties for regions. His overall view of the program is that it will have the appropriate accountability in place.

Hon Jon Ford also said that without the cities' support, the funding will stop. I think that is a very telling remark. It causes me to reflect on the comments of Hon Helen Bullock and Hon Max Trenorden's response; that is, without royalties for regions and without the Nationals, the funding will stop. That is the important thing about the need for accountability and governance that members on all sides of the house want to see for this program; it will ensure that it continues into perpetuity.

Hon Jon Ford also quoted Robert Taylor's very popular article. I think everybody has had a go at it. Robert is enjoying his moment of fame. Focusing on golf carts, plastic cows, bowling clubs and the need for some structure makes us think that once people in regional Western Australia have their health and education sorted, perhaps they should be happy and will not need this added layer to their life in the regions. We all know that that is not true. If we want to create vibrant, balanced and inviting communities, we need to have all layers of amenities. That includes sporting amenities, cultural and heritage amenities, and plastic cows.

**Hon Alison Xamon:** Everyone keeps pulling out that article!

**Hon WENDY DUNCAN:** Well, it seems to be the favourite.

**The PRESIDENT:** Order! There is nothing wrong with plastic cows. They come from Margaret River.

**Hon WENDY DUNCAN:** No. I think they are highly successful plastic cows, and I imagine they will be highly sought after when the times comes.

The structure for royalties for regions is based on local decision making and local strategic plans. Hon Jon Ford said that we need to take a more structured and more strategic approach to this. In the other house, the minister gave an undertaking that he would require that the country local government fund more strongly align with local government strategic plans, and that asset management plans are put in place. The bottom line, as I said, is that people in regional Western Australia are just as entitled to these added layers of amenity as they are to the critical needs of health and education.

Robin Chapple has also pledged the support of the Greens for royalties for regions, and I thank him for that. However, I do note an article in *The West Australian* of 18 August 2009, in which Greens MP Adele Carles is quoted as saying that she will not support the Royalties for Regions Bill, and that spending should be about improving services like affordable housing, education and health in the regions. She said also that there is lot going through this fund on footpaths and roads.

**Hon Simon O'Brien:** Can I have the roads? I have not seen the roads! I want some roads made!

**Hon WENDY DUNCAN:** Footpaths and roads are a perfectly legitimate use of royalties for regions funding, as is funding for housing, health and education. An analysis of the funding already expended by royalties for regions will show the whole range of projects, and so it should. This is how we achieve balanced, functional and inviting regional communities.

Hon Robin Chapple stated that the Greens have supported royalties for regions since the 1990s. It is unfortunate that the Greens did not use their very powerful leverage in Parliament under the previous government to negotiate any improvement for regional communities under their watch. The member also asked why regional Western Australia has not got its services back under royalties for regions. The truth of the matter is that the damage done in the attrition of regional communities over the past 20 years cannot be repaired in 12 months, and probably not even in four years, but at least we are making a substantial start.

Hon Mia Davies and Hon Colin Holt, and the other members from this side of the house, such as Hon Jim Chown, have well described some of the critical projects that are part of our first year of royalties for regions.

**Hon Ken Travers:** Can you tell me the ones that were in Max's old electorate?

**Hon WENDY DUNCAN:** The member has posed a question. I am sure that if the member gives me time, I can find a project that fits the criteria. There is a whole range of projects. That is an example of how regional communities have identified their local priorities and decided in which way they are going to spend their much-needed funding in their part of the world.



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Hon Robin Chapple also noted the Auditor General's report, and, as I mentioned earlier, we take on board the comments made by the Auditor General. We were actually pretty pleased with the outcome of that report, considering that royalties for regions is a whole new program, and we will be working to deal with the matters identified in the report.

Several members of the house have alluded to their belief that the royalties for regions program does not address the needs of Indigenous Western Australians. I will give members a bit of a run-down on exactly what we are doing for the Indigenous people of Western Australia. It is an issue that is very high on our priorities and very high on the priority of Minister Grylls; it is also a very high priority in our major regional projects such as Ord stage 2 and the Pilbara revitalisation. We are working on an Indigenous support group within the Department of Regional Development and Lands. The department has commenced discussions with agencies to develop a statewide program of addressing the delivery of power and water to remote communities. Currently, there are 18 communities of 200 or more people that do not have access to a regulated water and power supply.

**Hon Ken Travers:** Are they going to be the ones that the Treasurer wants to close down?

**Hon WENDY DUNCAN:** We will look at the communities on their merits, and we will work with the Treasurer on that.

**Hon Ken Travers:** If you're about protecting regional communities, surely you'll commit to not letting the Treasurer close them down.

**Hon WENDY DUNCAN:** In the interests of getting us all home at a reasonable hour tonight, Hon Ken Travers, I will continue.

The community resource centres are exploring options to work with remote Indigenous communities on issues of employment and training. Under the regional grants scheme, in the Kimberley and the Pilbara 36 out of the 86 grants provided under the first round of royalties for regions delivered through the Kimberley Development Commission and the Pilbara Development Commission went to Indigenous organisations. These grants represent \$3.75 million, and more than 50 per cent of the available funds were actually directed to Indigenous projects. In the Ord-east Kimberley, the agreement between the state of Western Australia and the Miriuwung-Gajerrong Aboriginal Corporation on the Aboriginal development package was reached on 1 September 2009. I am flying up with the minister on Monday to have further discussions with the Miriuwung-Gajerrong people to ensure that they benefit from the expenditure on the Ord stage 2. The Aboriginal development package is worth \$12.45 million, with \$10 million to be funded from royalties for regions, and there is \$2.45 million for the Office of Native Title. This will have reciprocal benefits for the Miriuwung-Gajerrong in the east Kimberley community through increased employment and business opportunities for Aboriginal people, and a collaborative approach is being taken by the state government with the traditional owners to pave the way for real and long-overdue social change in the east Kimberley region.

In the west Kimberley—in Broome—state negotiations following the determination of the Yawuru native title claim will result in a wide range of benefits to the Indigenous people to advance the interests of the Yawuru people.

In Lombadina, the Djarindjin Aboriginal Corporation has been provided with approval for its expansion proposals and agreement with Inpex on the airport there, and in Derby, the Winun Ngari Aboriginal Corporation has been granted a conditional purchase lease over crown land for light industrial purposes. Under the Pilbara revitalisation plan, the development of better water usage will create new economic activity and opportunities for Indigenous communities. In Roebourne, the Gnarla Aboriginal Corporation has a deed of option for the transfer in fee simple of over 61 hectares of crown land. The Aboriginal Rehabilitation Centre currently has a lease over crown land, and freehold has been sought—the list goes on. I appreciate the honourable member's interest in this matter, and I have a table of the Aboriginal projects that have been funded so far under the royalties for regions program, worth \$4.477 million. If the member would like to see a copy of it, I will show him. Some of the really important projects, for instance —

**Hon Alison Xamon:** Perhaps the honourable member can table a copy.

**Hon WENDY DUNCAN:** I seek leave to table this list of Indigenous projects for the benefit of honourable members.

Leave granted. [See paper 1577.]

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**Hon WENDY DUNCAN:** Members in their comments also raised the issue of what the definition of “new projects” is. I do not think any of us in the house would deny that that will inevitably be a difficult thing to do. Clause 5 of the Royalties for Regions Bill refers to the subsidiary accounts of the royalties for regions fund—namely, the country local government fund, the regional community services fund and the regional infrastructure and headworks fund. The legislation establishes these new funds for government. Accountability frameworks are being established, including an audit and evaluation program, which has an implementation plan in place. Baseline studies are now being determined to establish that funding allocated through the program is separate from the normal business of government. All funding recipients are requested to establish a subsidiary register for the funds to reconcile expenditure and receipts on a regular basis. Analysis of annual state budgets will also be undertaken.

Hon Robin Chapple also focused on the need to allocate funding to the environment and to renewable energy. In fact, he has amendments on the supplementary notice paper that place this focus into the bill. However, we need to be very careful about being too specific in this bill because we want regional communities to identify their priorities; they are the ones that know best how to create strong and vibrant communities. There could be just as strong an argument to incorporate heritage, culture, social infrastructure, Indigenous need, the needs of women and young children, education or health into this bill—they are all priorities that all normal functioning communities need to address. A quick look at the projects funded so far shows that regional communities are very conscious of the need for sustainability, to care for the environment and to focus on renewable energy. Some of the projects identified by Hon Col Holt attest to that. There is \$380 000 for the Albany biodiversity park and \$145 000 for the Ashburton Aboriginal Corporation biodiesel project. With a quick look through the list I can see beach access projects, recycling projects and a sustainable garden at Exmouth District High School. I think honourable members are probably a little weary of lists of royalties for regions projects, but I assure them that if they pick a key area, we can show them projects that fit the bill.

**Hon Ken Travers:** I can show the member projects that the last government did that also fit the bill.

**Hon Mia Davies:** We acknowledge that.

**Hon WENDY DUNCAN:** Yes, we acknowledge that; it is just that —

**Hon Ken Travers:** But your expenditure is not over and above what we spent—that is your problem!

**Hon WENDY DUNCAN:** Hon Ken Travers actually —

**Hon Ken Travers:** I have acknowledged that there are benefits in royalties for regions, but you can't show that your expenditure is over and above what the previous government spent in regions.

**The PRESIDENT:** Order! I think Hon Ken Travers has already made a contribution to this debate. The parliamentary secretary is winding up.

**Hon WENDY DUNCAN:** That is right. In fact, there is a quote from Hon Ken Travers that I take great pleasure in reminding members of the house of; that is, he “wholeheartedly and unequivocally supports the bill”. I greatly appreciate that and thank the honourable member. However, he drew attention to his pet area of expenditure—that is, roads. I have a list of road funding that has so far been funded in the first round of royalties for regions. A total of \$8.772 million of funding has gone to roads.

**Hon Ken Travers:** That's because your minister is not spending it through Main Roads. That's why you're having to do it through royalties. Fifty per cent of the funding went on roads under us, Hon Max Trenorden, and it is not going there under your government.

**Hon WENDY DUNCAN:** No, these roads have all been —

Several members interjected.

**The PRESIDENT:** Order! The parliamentary secretary is doing her best to respond to the points made during the second reading debate. That is the purpose of a reply by the minister or the parliamentary secretary having carriage of that piece of legislation.

**Hon WENDY DUNCAN:** Thank you, Mr President. I have a list of roads funded. I am not sure whether honourable members would like me to table it as well. I seek leave to table the list of roads funded under the royalties for regions program.

Leave granted. [See paper 1578.]

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**Hon WENDY DUNCAN:** Hon Ken Travers also noted the success of the Country Age Pension Fuel Card, and I thank him for his assurance that this initiative will endure through future governments. In spite of being the first of its kind in Australia, and in spite of the incredible pressure to deliver this election promise as early as possible to expectant pensioners—if there can be such a person—the Auditor General has noted, in relation to the Country Age Pension Fuel card, on page 17 of his report —

We found that the RDL has effective systems in place to manage, monitor and report CAPFC expenditure. These include:

- the inter-agency agreement between the departments which facilitates cooperation between the parties in implementing the scheme, including contract management
- budget management throughout the term of the scheme
- receipt of monthly recoup tax invoices from the Department of Transport that detail the full cost of administering the scheme (contractor fees and administration costs)
- the approval of all recoup payments.

There is also the question of strategic investment. I think most of the members present raised the issue of the need to be more strategic about our investment. However, I think we need to consider what is strategic. When we first think about strategic, we think about major expenditure and major projects. However, we are talking about trying to return communities to normality and to make them places where Western Australians want to live, work, invest and even die. No-one would deny that projects such as such as Ord stage 2, which is a \$220 million project, or the Pilbara revitalisation plan, which is \$300 million project, are strategic projects, but a \$10 000 grant to re-roof the Cowaramup country women’s hall is probably just as strategic, because that community has decided that that project needs to be done to make the community a good place to live and work.

**Hon Robyn McSweeney** interjected.

**Hon WENDY DUNCAN:** That is exactly right. I thank Hon Robyn McSweeney.

Hon Matt Benson-Lidholm, in his comments, gave the commitment of Country Labor to royalties for regions, and I appreciate that. He noted in his comments that education should be given a higher priority under the program. I can hear members saying, “Oh, no—here we go; a list of education projects”, and it is tempting, but I will just point out a couple because I do not actually have a list of the education projects. There are plenty in there though, and my colleagues have alluded to some. One that is probably particularly dear to the heart of Hon Matt Benson-Lidholm is the \$500 000 for the south coast campus of the University of Western Australia—\$1.5 million over five years, with the university contributing \$1 million and the federal government \$2 million. In my own patch, Esperance Senior High School received \$200 000 towards a trade training centre and, of course, I mentioned earlier Exmouth District High School’s sustainable garden. Hon Col Holt talked about student trips to Canberra. There are plenty of other examples in which education services have received priority by local communities.

The issue of grain rail has been raised. It is a vexed question when it comes to royalties for regions, but an incredible amount of money is required. A review is taking place of the grain rail network, and we look forward to the outcome of that review. We are particularly pleased that the grain rail network is one of the items listed in the Premier’s brief ministerial statement about our submission to Infrastructure Australia, and we look forward to the outcome of that.

I thank Hon Mia Davies, Hon Col Holt and Hon Jim Chown for their contributions. I will not go into the detail of the issues they raised. I will, however, take up an issue with Hon Helen Bullock, who spent a large part of her speech talking about the huge amount of money that is being wasted in regional Western Australia; I think she referred to uncontrolled waste. I remind members of the house that the royalties for regions budget is four per cent of the state budget. I have mentioned this previously. This is equivalent to other major expenditure in the state that does not come under half the scrutiny that this fund does. Posing the question of whether these projects would be funded without royalties for regions funding is very risky. Obviously, we cannot gaze into a crystal ball, but I think it would be highly unlikely that regional Western Australia would see this amount of funding without the arrangement that was agreed to after the state election.

Hon Alison Xamon feels some disquiet about the legislation. Hopefully, I have helped her in some measure by identifying some Aboriginal projects and other projects such as the Ngala online project for young mothers. The message that I would really like to get across in response to the issues that the member raised is that the next round of the regional grants fund is now open for application. That round will close in February 2010. I strongly

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encourage those groups that feel they have the greatest need to make an application, because if they have local priorities that are seen to be in need of attention, they will be funded. Members will be pleased to know that I am nearly there.

**Hon Robyn McSweeney:** I'm only saying "yay" because it's late.

**Hon WENDY DUNCAN:** Gosh, it is.

Hon Alison Xamon also said that she supports local decision making. As I have mentioned in previous speeches in this house, eminent Australians have identified that one of the reasons for dysfunction and alienation in the governance of regional and remote Australia is the government's distance from where the action is. Local decision making is part of that solution. The member also spoke about partnerships. The country local government fund is in partnership with the Minister for Local Government. The Country Age Pension Fuel Card is in partnership with the Minister for Transport, and the Royal Flying Doctor Service and patient assisted travel scheme funding are undertaken in partnership with the Department of Health. Ord stage 2 works in conjunction with the Departments of Agriculture and Food and State Development and the federal government. They are all involved. The Department of Regional Development and Lands is not acting in isolation in delivering these projects. It is working very closely with other government agencies, according to their priorities and to local priorities.

**Hon Mia Davies:** And the private sector.

**Hon WENDY DUNCAN:** I thank Hon Mia Davies. It is working with the private sector. In particular there has been a substantial contribution from the private sector to the Pilbara revitalisation plan and the Pilbara health plan.

Hon Sally Talbot raised several matters in relation to the bill. I think I have answered quite a few of them. I refer now to her comments about the trust and questions of quorum and length of service and so on. They are all matters that are determined by normal meeting procedures and governance and will be determined by the trust and regulations. The minutes will be available through the usual freedom of information channels.

**Hon Sally Talbot:** But not made public.

**Hon WENDY DUNCAN:** There are many government boards and trusts that do not make their minutes automatically public, but they are available through the Freedom of Information Act.

**Hon Ken Travers:** Look on the internet because it said that you should make them available because the intent of the FOI act is that information is available.

**Hon WENDY DUNCAN:** That is something that Hon Ken Travers may well debate. The fact of the matter is that that is how they can be accessed should people need to do so.

Hon Adele Farina referred to her concern about the regional investment fund not having local decision making, so there is a bit of a contradiction. Some people say that local decision making is risky and we need a strategic view, but now Hon Adele Farina says that the regional infrastructure fund, which is the strategic fund, needs local decision making. Regional representatives are on the trust. That is where there will be local decision making and local advice.

I hope I have covered most of the issues raised by honourable members. I commend the bill to the house.

Question put and passed.

Bill read a second time.

*Committee*

The Deputy Chairman of Committees (Hon Jon Ford) in the chair; Hon Wendy Duncan (parliamentary secretary) in charge of the bill.

**Clause 1: Short title —**

**Hon KEN TRAVERS:** I want to make a couple of very brief comments and I will then ask the parliamentary secretary a question. I will briefly reply to Hon Max Trenorden's claim that during his time as the member for Avon, the former government spent nothing in his electorate. I did a quick search of the budgets. I did not search for every town in his electorate, but I did a search for the town of Northam and was surprised by what I found. They were not huge things in the budgets but there were a few little things sprinkled among them, such as funding for passing lanes and the upgrade to the Adamson House home. The *AvonLink* service was not a little

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thing. Funding was provided for a number of new improvements to Northam Regional Hospital and on health promotion officers. Stage 2 of the Avon Industrial Park commenced and funding was provided for an Aboriginal health worker, for work on the Kep Track and for upgrades for the Northam-Pithara Road.

**Hon Philip Gardiner:** Is this relevant?

**Hon KEN TRAVERS:** It is relevant because Hon Max Trenorden suggested that the Royalties for Regions Bill would do great things that were not happening before. I searched for the town of Northam in the last budget and found just one thing—the Northam trade centre, which was funded by the commonwealth government.

**Hon Col Holt:** Did you try searching for Avon?

**Hon KEN TRAVERS:** I did.

**The DEPUTY CHAIRMAN (Hon Jon Ford):** Order, member! Let us start this process correctly. We are in committee and members should address their comments through the Chair. The committee stage is a dialogue between the parliamentary secretary or the minister and the member who asks the minister or parliamentary secretary a question.

**Hon KEN TRAVERS:** Through the Chair, I acknowledged in my speech the good things about the royalties for regions scheme. However, I get very offended when members suggest that nothing happened in regional Western Australia during the term of the former Labor government because that is plain wrong. A lot of money was spent. The challenge for the government and for the National Party is that if the government is to deliver on its promise, which it claims will see 25 per cent of the royalties going into regional Western Australia over and above the normal expenditure, it must do the accounting to show that. The government has tabled a list of roads. The spending on this list of roads totals about \$8.7 million. The Minister for Transport is spending more than \$10 million simply on planning the Roe Highway extension and he will spend \$700 million on the new works in metropolitan Perth and only \$200 million in regional Western Australia. Under the previous Labor government, the ratio was always about 50-50. My question to the parliamentary secretary is: how will we know that at the end of this process 25 per cent of the royalties money over and above existing expenditure has gone into regional Western Australia? If the government can do that, I will congratulate it on a job well done. However, the government should not tell people that it has done it when it has not. I want to see proper accounting so that there is a true and proper analysis of how much additional money is going to regional Western Australia. I support the government on local empowerment and I support some of the programs. However, the government is claiming that this is additional money, yet we are seeing money stripped out of the budget for regional Western Australia. Royalties for regions does not achieve the government's policy. How does the government intend to demonstrate that it is spending 25 per cent over and above existing expenditure on royalties for regions?

**Hon WENDY DUNCAN:** I think I addressed that matter in my reply to the second reading debate. I think Hon Ken Travers and other members have acknowledged that it will never be perfect to try to identify what is over and above the expenditure, but the major projects such as Ord stage 2, the Country Age Pension Fuel Card and the Pilbara revitalisation project are new projects over and above existing projects.

**Hon Ken Travers:** In your home town, the Esperance port access road, which was provided for in the last budget, has been deferred. It was about \$100 million all up.

**Hon WENDY DUNCAN:** We are in unexpected economic times with the global financial crisis and that meant that major adjustments had to be made to the budget.

**Hon Ken Travers:** Roe Highway was brought forward in metropolitan Perth. Your answer about the global financial crisis does not wash.

**The DEPUTY CHAIRMAN (Hon Jon Ford):** Order, members! For the sake of Hansard, we need to ensure that there is control in this chamber, and members who are speaking are identified. That means that members need to stand when they get the call, speak and then sit down. If we allow the current process to go on, it will be a very long night indeed. Hon Ken Travers has asked a question and he has the ability to ask as many as he likes under this clause. The parliamentary secretary has the call and she is reminded that she should not be encouraged to enter into dialogue, which is what members just witnessed. I do not mind short interjections, but that was going over the top.

**Hon WENDY DUNCAN:** I appreciate your guidance, Mr Deputy Chairman. I believe I answered that question in my response.

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**Hon KEN TRAVERS:** I will quickly ask the question again. The parliamentary secretary has not answered it. There is no mechanism in place and the parliamentary secretary has not indicated that there will be a mechanism in place. For all the projects the parliamentary secretary can refer to, I can find other projects in regional Western Australia that were in the budget but have been de-funded. The parliamentary secretary's argument about the global financial crisis does not wash, because projects such as the Roe Highway extension, which is \$550 million worth, have been brought forward in the budget. If it is about the global financial crisis, the government would not be able to bring forward projects when it is cancelling or pushing back projects, such as the one in the parliamentary secretary's home town—the Esperance port access road—and projects relating to a number of hospitals. The reality is that every time projects are pushed back by a year or two, the money is spent on other regional projects. The parliamentary secretary has not addressed the issue. She has not said that an accountancy process will be in place to demonstrate that the projects involve expenditure over and above existing expenditure. The parliamentary secretary has the accountancy package to demonstrate how the money will be spent in the royalties for regions program, but not for how it relates to the total expenditure in regional Western Australia. Does the government intend to do that?

**Hon WENDY DUNCAN:** I thank the honourable member for that question. The Royalties for Regions Bill is not about the whole of the state's budget. We have said that we are putting in place accountability frameworks to identify baseline expenditure, and we will use that to evaluate whether our expenditure is at the same level as normal government expenditure. If other parts of government decide to withdraw or defer expenditure, they will have to explain themselves.

**Hon KEN TRAVERS:** I agree with the parliamentary secretary that they have to explain themselves, but that accountancy provision must be in place. In terms of the baseline research, over what budget period will the baseline figures be determined?

**Hon WENDY DUNCAN:** The baseline will be a four-year, rolling baseline. The figure cannot be set now and locked in for all time. There will be a four-year, rolling baseline so that one can then identify that royalties for regions are over and above that. That is averaging the cost. We are also asking for proponents to report back to certify that the expenditure is above and beyond the baseline.

**Hon KEN TRAVERS:** I understand that as a tracking mechanism it might be done on a rolling, average basis and I understand that the government might set the baseline not on one particular year but over an average of three or four years. However, to have a baseline, a period needs to be picked for the baseline. It might be asked for the past four years of government in this state: what was the expenditure in regional Western Australia, and what was the expenditure in the metropolitan area? Then as it moves forward, it is averaged on a four-year basis to determine it, but there still needs to be a starting point. I am asking: what budget periods will the government commence the baseline studies from?

**Hon WENDY DUNCAN:** We are endeavouring to establish a baseline based on the previous 10 years expenditure, so it is the rolling average of the previous 10 years, and use that going forward to measure against.

**Hon ROBIN CHAPPLE:** In regard to that same issue, it was identified in a briefing that we had on the matter that it would be very difficult in three to five years' time to be able to identify what was normal government expenditure and, indeed, what was royalties for regions expenditure. I quite clearly want royalties for regions to go to the regions. The parliamentary secretary explained a bit about how the rolling average would be established. Will those figures be produced and available so that in future we can check that 25 per cent of the royalties over and above expenditure are going into the regions and that it is not just an in-house government assessment but a public process that should be available on the web or whatever?

**Hon WENDY DUNCAN:** That will be available in the annual report.

**Hon ROBIN CHAPPLE:** I think it is important at this time that we just identify what we will be trying to do within the terms of the bill and why we are looking to make a number of amendments. In light of the Standing Committee on Estimates and Financial Operations' twentieth report on royalties for regions and the Auditor General's report, we believe that some checks and balances are needed in the legislation—not for now, because I believe in all sincerity that National Party members are honest and genuine people, and that is what they are aiming for, but we will have new governments in the future, whether they be One Nation, Labor, Liberal or whatever. If we are establishing a program, we want to make sure that the program does exactly what it set out to do. I do not doubt the integrity of the current minister and, indeed, the intention of the National Party here.

The regulations that we are trying to bring about will ensure that we have really strong accounting provisions so that the regions can attest to the fact that they are being serviced well. Currently, the bill has a very broad scope

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within which RFR funds may be spent. This is good because it means that RFR funds can be spent on almost anything. However, there is no regulation within the bill to ensure that RFR money is spent wisely. That is where we would like to see some of our first checks and balances.

Much was made by the Nationals in their 2000 election campaign about how RFR money would be used to support the regions, to close the gap on disparate standards of living and to support Aboriginal people. Unfortunately, none of these clauses gets a mention in the bill, and there is no guarantee that Aboriginal people will receive any RFR money other than by benevolent process at the moment. I take on board what the parliamentary secretary has said. We are trying to put some of those constraints in the bill so that those people who are currently at the butt end of a cruel joke in many cases in the regions are guaranteed something into the future out of this legislation.

There is nothing in the bill to ensure that RFR funds will be used to address problems associated with living standards, including health care, education and affordable and available housing, which is an amazing issue in the Pilbara and the Kimberley. In the Pilbara, some houses are being rented out for \$3 600 a week. That is an unbelievable situation. If we want to start addressing those things, we need to have some provisions in the bill or at least some guidelines that deal with that situation. I will talk about the nature and effects of some of my amendments as we come to them.

**Hon Norman Moore:** Why don't you just wait until you get to those amendments so we can deal with them then?

**Hon ROBIN CHAPPLE:** I thank the honourable member. I like his interjection but I am speaking at the moment and I would like to be able to continue to do that.

**Hon Norman Moore:** I am just suggesting to you that you might expedite matters by speaking on these matters when you get to the amendments you are going to move.

**Hon ROBIN CHAPPLE:** I have just said that I am going to.

**Hon Norman Moore:** We haven't got to them yet.

**The DEPUTY CHAIRMAN:** Order, members! This is about dialogue between the member and the parliamentary secretary. I remind members of the rules. Members need to understand that interjections will lengthen the debate.

**Hon ROBIN CHAPPLE:** I apologise for being drawn into that debate. In terms of where we are seeking to go, it is about regulation that will enhance the bill and provide the assuredness of the future of this legislation.

I am probably using the limitations of this part of the debate about the amendment schedule in a fairly limited way. I want to point out that when we sought royalties for regions in this chamber in 1998, after we had negotiated very extensively with Hon Norman Moore to get \$350 000 into the Kalgoorlie district as a result of a royalty, the Nationals and the Liberal Party prohibited any further money going to the region. Members need to be aware of that.

**Hon WENDY DUNCAN:** Hon Robin Chapple has called for checks and balances. What we are doing here is providing a governance and accountability that is over and above the governance and accountability that government agencies are subjected to in the state of Western Australia. There will be review by the Economic and Expenditure Reform Committee, the Department of Treasury and Finance and the Auditor General and under the Financial Management Act. Those checks and balances are all there. In addition, as the Auditor General has noted, the Department of Regional Development and Lands is taking proactive measures to review and, where necessary, improve the accountability, governance and reporting frameworks for royalties for regions. He notes that the department has undertaken risk identification and assessment with RiskCover and considered risks at the policy level, program management level and funds level; contracted an independent consultant to develop a framework to evaluate the social impacts of the royalties for regions program, initiated reviews of the Country Age Pension Fuel Card scheme and the regional grants scheme; and engaged an independent private sector audit firm to review the overall governance and risk management frameworks. Therefore, the governance and accountability we are doing is over and above what normal government agencies need to do.

**Hon ROBIN CHAPPLE:** These are reviews that are being carried out. What we are hoping to do is provide the government with the wherewithal to fix the current problems.

**Clause put and passed.**

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**Clauses 2 and 3 put and passed.**

**Clause 4: Object —**

**Hon ROBIN CHAPPLE:** I move —

Page 3, line 3 — To insert after “Western Australia” —

and to encourage investment in environmental protection and renewable energy generation,

I will give members the reason for this amendment. I will be attending a forum in the Pilbara next week with a large renewable energy corporation that wishes to put renewable energy into the Pilbara. These are certainly the sorts of things that need assistance and funding provision. The Pilbara, with 6 000 watt hours of solar radiation per annum, is one of the best places in the world for a solar thermal operation. We believe that in the future, long after the manganese, bauxite and iron ore resources in the regions are finished, the regions could provide the basis for renewable energy projects. We need to look at providing a sustainable process in the regions, not just in the short term over the next 60 years, until we run out of iron ore, or whatever, but also in the long term. We need to develop the regions for the long haul. We want the regions to be not just community centres based around a mining development, but community centres that will be there for ever and a day, and that are vibrant and are developing other industries. We have seen in other areas, with the decline of the wheatbelt, that small communities are disappearing. Shay Gap and other towns in the mining industry have gone. That happened because once the mining industry went, there was nothing to keep people there. I am sure that all country people want rural regions to be sustained. The Greens (WA) think that this amendment would be an exceptionally good amendment to provide some guidance for social and sustainable development. Whilst it is not the key amendment to the Royalties for Regions Bill 2009 that we wish to move, we think it starts mapping out a future for the region above and beyond that of the extractive industries.

**Hon WENDY DUNCAN:** I thank the member for his amendment; however, we will not be supporting it on a couple of grounds, one of which I covered in my reply to the second reading debate—that is, incorporating specific areas of focus actually has the effect of limiting the bill. There is really nothing in the bill or in the guidelines for royalties for regions that prevents investment in environmental protection and renewable energy. In fact, I itemised a few projects that fit into those categories, such as the Pilbara water project. That project has received funding of \$2.5 million to look at using mine dewatering to assist with Aboriginal economic development. I also mentioned the biofuels project earlier.

The other thing about this amendment is that it allows focus outside of regional Western Australia. Because the additional words would be inserted after “regional Western Australia”, it really takes the objectives outside of regional Western Australia, which we do not support.

**Hon Ken Travers:** Can you just explain that last bit to me?

**Hon WENDY DUNCAN:** The amendment would make clause 4 read —

The object of this Act is to promote and facilitate economic, business and social development in regional Western Australia and to encourage investment in environmental protection and renewable energy generation, through the operation of the fund.

Because the words “and to encourage investment in environmental protection and renewable energy generation” come after regional Western Australia is specified, there is no reason why the investment in environmental protection and renewable energy generation could not happen in Perth.

**Hon ROBIN CHAPPLE:** I just find that to be a really interesting piece of logic, because it actually specifies, prior to that, that it is in regional Western Australia.

**Hon WENDY DUNCAN:** I have told the member how I interpret it; the member interprets it differently. We do not support the amendment

**Hon KEN TRAVERS:** On behalf of opposition, we support the object of the Royalties for Regions Bill 2009. I am not sure what status this clause has in the overall operation of the bill, but it is a statement about the intention of Parliament, which may be of use. In that sense we certainly do not have any problems with promoting and facilitating economic, business and social development in regional Western Australia, but we, as the opposition, also do not have a problem with the idea that we should be promoting environmental protection in regional Western Australia, or, for that matter, investment in renewable energy. I understand the intentions of the Greens (WA), and I guess the question is whether the parliamentary secretary and the government are keen to support the idea that the bill should promote and facilitate not just the economic, business and social development, but



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also environmental sustainability in regional Western Australia. I think that is probably the key reason for this amendment. If the government was keen to support that, we could maybe work on some words along those lines that we could all live with; or is it that the government does not want to support the idea of environmental sustainability?

I was sitting in this place while the debate was going on and thinking that a great set of words would be something along the lines of “the object of this act is to promote and facilitate economic, environmental and social sustainability in regional Western Australia through the operation of the fund”. I thought that would encapsulate what the parliamentary secretary is saying and what the Greens are saying, and it would be something that we could very easily live with. If the position of the government is that it does not want to support environmental sustainability, we could simply put the amendment and move on. However, if the government is prepared to support that idea, maybe we could think about some words that we could all live with and put them into the bill. I will leave it to the parliamentary secretary.

**Hon WENDY DUNCAN:** I think that the issue we have with this amendment is that it actually leads us down the path of having to specify absolutely everything. We could talk about culture, heritage, Indigenous needs and education, as I mentioned before. As I said when I responded to Hon Robin Chapple, nothing stops investment in environmental protection and renewable energy happening under the economic, business and social development of regional Western Australia. It is certainly not that the government does not want to have environmental sustainability; in fact, we support investment in renewable energy, but what we do not support is the object of this bill becoming too specific because we will run the risk of narrowing the object.

**Hon KEN TRAVERS:** I understand the issue about putting too many words into the bill because we would start to get to the point at which the object would seem to be narrowing rather than broadening with the addition of so many words. However, I would have thought in our society these days that most people see three key pillars—that is, economic, environmental and social. In fact, I would have thought that those sorts of things the parliamentary secretary talked about, the cultural and heritage aspects, are very easily captured under those three parts of the object. I get an impression from what the Greens propose. If we pick up the economic element—again, if we are talking about extending the object too far, “business” is really picked up under the word “economic”, so we do not need the extra word “business”—and social development is already covered, the word that is missing in the object of the bill in where we are heading in the modern world is “environmental”. Another word that is missing is “sustainability” because what we really want, as well as development, is economic sustainability, environmental sustainability and social sustainability. I think if the government supports that view about the environment, we should try to find some words that incorporate that view; otherwise, we will pick up only the economic and social aspects by adding the word “business”, yet miss the key factor about the environment, which I do not think is picked up at the moment. If the government is not of a mind to try to come to agreement on some words that we can all live with, and it will simply take its numbers and pass the clause as it is written in the bill, I will not frustrate debate any longer. However, I encourage the government to think about it. If it were the government’s will, I suspect that if we were to defer this clause, we could probably quickly find some words that we could all live with, and by the time we finish consideration, we could put some words into the bill at the end of the night.

**Hon WENDY DUNCAN:** As I have said before, the problem with becoming too specific is that we cannot operate outside the object of the act. We are talking about “investment in environmental protection and renewable energy generation”. As a result of the “and” in the amendment, everything we do under the act must encourage investment in environmental protection and renewable energy generation. We want to move on with this bill, and I thank the member for his suggestion about looking for alternative words; however, we believe that the object of the act is broad enough to cover the issues the member has raised. We will not look for alternative words.

**Hon ROBIN CHAPPLE:** I am more than happy to withdraw the amendment standing in my name if there is the potential to—I ask the parliamentary secretary this—remove “and” after “business” in line 3 and add “and environmentally sustainable” after “social development”.

**Hon WENDY DUNCAN:** Can I seek clarification? Is the member talking about inserting after “and” the words “environmentally sustainable social development”?

**Hon Robin Chapple:** Remove the word “and” after “business”, and after the words “social development” add “and environmentally sustainable”. That is just a normal clause in most legislation.

**Hon WENDY DUNCAN:** I think environmental sustainability is committed to on all sides in this new century. As I said before, we will not be supporting an amendment to the objects of the act.

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**Amendment put and negatived.**

**Clause put and passed.**

**Clause 5: Subsidiary accounts of Fund —**

**Hon ROBIN CHAPPLE:** I want to refer to the pensioner vehicle assistance. I note that that does not seem to appear in this legislation as such. How is the parliamentary secretary asserting that it will be an ongoing process?

**Hon WENDY DUNCAN:** The Country Age Pension Fuel Card comes under the regional community services fund. It is a project under that fund. When I talk about the fund going into future years in perpetuity, it was actually in response to Hon Ken Travers' commitment that future governments would do so. It is there under the regional community services fund. It is very well accepted and well used in regional Western Australia, and I would imagine that anyone who tried to remove that program would do so at his peril.

**Hon ROBIN CHAPPLE:** Is there anything that would actually stop anybody removing that in the future? I am not saying that the current government would do so, but there would be nothing to stop a future government from removing that program.

**Hon WENDY DUNCAN:** No, there would not.

**Hon ROBIN CHAPPLE:** Given that it was such an important aspect of the royalties for regions program, and has been such a valuable asset to the community, why should it not actually be enshrined in the legislation?

**Hon WENDY DUNCAN:** I come back to the same principle: we do not want to be too prescriptive in the bill; we need to allow flexibility for this government and future governments. All the items in the budget in each of the categories under the royalties for regions fund can be amended, improved or reduced depending on the perceived needs in the priorities and strategic plans of the regional areas at the time. The Country Age Pension Fuel Card is only one part of the election promise and the rollout of royalties for regions. We are very committed to the fuel card. But, like all government programs, they are reviewed periodically and may or may not continue.

**Hon KEN TRAVERS:** Clause 5 seeks to establish a fund that is broken up into three subsidiary funds that are listed in the bill. On top of that, there is a capacity for any number of additional funds to be created. I understand that there is a requirement to report only the global amount in the fund. I believe it would be very useful, if three funds are being established and there is the capacity to create additional funds by agreement between the Minister for Regional Development and the Treasurer, to make public at the time the budget is brought down each year the actual allocation in those three or more funds. That is the purpose of the amendment in my name on the supplementary notice paper. I move —

Page 4, after line 9 — To insert —

- (2) The sums to be allocated to each of the subsidiary funds nominated in subsection (1), including allocations under paragraph (d), are to be specified in the Budget for that year.

This amendment would provide for a slight improvement in accountability so that the general public would know exactly how much money is in these three funds and any additional funds that might be created in the future. It is quite important for people to be able to see where the money in those funds is going. I commend the amendment to the chamber.

**Hon ROBIN CHAPPLE:** The Greens (WA) will support this amendment. We think it provides a really good set of parameters for monitoring and following through on the fund allocations. Again, I make the point that in the future we may not have such an ambivalent organisation or political party using royalties for regions funds, so we want to make sure that this will apply in the future and that we cannot be duded. We would like this amendment to be made to the clause so that a clear delineation of where the funds are coming from and going to is articulated in the budget.

**Hon WENDY DUNCAN:** We believe that this amendment is not needed. The various funds and the individual amounts are specified in the budget. They are also specified in the annual report and in the mid-term review. It is more of an administrative arrangement than something that needs to be incorporated into the bill.

**Hon KEN TRAVERS:** I acknowledge that the funds were in this year's budget, but it is important to have the provision in the legislation. The fact that the government has put the funds in those documents means that it is acknowledging that they are shown in those documents. The bill will ensure that the funds will continue to be in the budget in future years. We are agreed that they should be there. This is about mandating it to make sure they are. If a future government decides not to put them in the budget, it will not have that choice; it will have to show

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them in the budget. I imagine that a Labor government would do so and the member is saying her government would. If that is the case, I do not see why we would not mandate it to make sure a government that does not hold the same views as we do on these matters would be required to do that.

**Hon WENDY DUNCAN:** The way the funds are allocated and divided is something that is required under the budget process to be shown in the budget papers. There is an opportunity to analyse the funding in the estimates process; it is not necessary to be in this bill.

**Hon Ken Travers:** One of the things you will notice in this place if you are here long enough is that budget papers change regularly.

**Hon WENDY DUNCAN:** I am willing to learn.

**Amendment put and negatived.**

**Clause put and passed.**

**Clauses 6 and 7 put and passed.**

**Clause 8: Limit on amount in Fund —**

**Hon KEN TRAVERS:** This clause seeks to impose a cap on the fund. In the briefings given to me, the explanation for the cap on the fund was that it is to ensure that councils continue to spend the money in the fund rather than build it up. It was also explained to me that the fund can hold the money, but money can be appropriated out of the fund by allocating it to another government agency for later expenditure. For instance, the fund might be holding \$700 million, and \$100 million might be put into regional housing. The moment it is given over to regional housing is when it is appropriated out of the fund. If that is the government's intent, I am not sure it will achieve it over a four-year budgetary cycle. I will run through a quick scenario. Let us assume that approximately \$700 million, in round figures, is proposed for royalties for regions over a three-year cycle. If in the 2010-11 financial year there is \$700 million in the fund and none of that money is spent throughout that year, it would still be under the cap, and it could be carried over to the following year. The budget for the next year would still allocate \$700 million, but it would not be possible to draw down from the fund any more than \$300 million until \$400 million of it had been spent. The government could sit on the \$700 million that it carried over until the very end of the financial year and, at the very end of the financial year, spend it by allocating it to other agencies. The government could then draw down from Treasury the additional \$700 million that would then be carried over into the next year. In the final year, 2012-13, in the lead-up to an election, the government would have the capacity to spend \$1.4 billion. In the six or seven months leading up to that election the government could spend a total of \$2.1 billion. I am not sure whether the intention of the cap is to ensure that the money is being regularly spent and does not accumulate. One of my great concerns is the way in which people might interpret it, despite the explanation given to us by the parliamentary secretary's advisers that if the government already had \$700 million, it could allocate the extra \$700 million in the budget but could not put it into the fund to be drawn down from Treasury to be spent. Treasury will say that because the government has \$700 million, it will allocate only \$300 million this year because the fund is capped at \$1 billion. That is the danger of the way this legislation is written. On the other hand, I have demonstrated that the government could effectively build up the fund so that it could spend \$2.1 billion, or three years' worth, in the six months immediately prior to a state election. I am talking about not just this government but any government.

**Hon WENDY DUNCAN:** The scenario the member described is possible. The issue is finding a balance between providing a cap for the fund so that the government cannot accumulate \$8 billion in the year before an election while providing a sufficient amount of money in the fund to deal with major projects, as we have been doing over the past 12 months, such as the Ord stage 2 development or the Pilbara revitalisation program. Another thing that must be remembered is that the underlying requisite is that 25 per cent of the royalties will go into this fund, and no more. The amount is determined by that percentage. The cap is in the bill to endeavour to limit the opportunity to build an election war chest. The bill achieves that, to a certain extent. The member is correct; there is always that flexibility. However, without the cap, it could be even worse in the hands of a government that is neither the member's nor mine.

**Hon KEN TRAVERS:** I understand that. The problem I have is that the government could carry over \$300 million from 2009-10. Based on a four-year cycle on the current figures, three and a half years of the money could be logjammed and spent prior to an election. I cannot imagine that anyone would want to logjam it and spend it after an election. I suspect it will be about building up the fund to be spent before an election. On the other hand, there is a danger that when the Australian dollar goes down and royalties go up and there is a boom, it will not be long before potentially more than \$1 billion a year could go into the fund. It will be very

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confusing to people that the government is saying on the one hand that 25 per cent of royalties should go into the fund but on the other hand it can never be more than \$1 billion. The government's argument about trying to ensure flexibility is gone at that point. The government will be able to spend more than the year's allocation before it can be drawn down. There is a danger that people will argue that because it is capped the percentage of royalties should be dropped from 25 per cent to 20 per cent to stay within the cap.

**Hon WENDY DUNCAN:** The best I can do in this situation is note those comments. Is the member suggesting that we remove the cap? If the member does not like this clause, probably the best solution is to vote against it.

**Hon KEN TRAVERS:** I appreciate that. I do not think this clause will achieve what the parliamentary secretary is trying to achieve. That is my difficulty. I understand what the government is trying to achieve and I would love to find another way to do that. I see potential negatives in the way this clause is drafted and it will not achieve what the parliamentary secretary is saying it will achieve. The difficulty I have is that I want to support the principle that the parliamentary secretary is promoting, but this cap is not the measure that will do that.

The billing will be locked in. Potentially, if we go back to the standard Aussie dollar and projects come on stream in Western Australia, all of a sudden the \$1 billion will be less each year. This legislation does not provide the capacity to change it; it will mean another bill coming before Parliament.

It has been clear in the other place and this chamber that the government is not interested in amending this bill. All I can do is raise the problems and indicate that I do not believe it achieves what is proposed. It is up to the government to take on board my comments and fix the problem, if that is what it wants to do. If we move an amendment, we will be wasting our time, because it will not be accepted. It is in the hands of the government.

**Hon Wendy Duncan:** I thank the member for his comments.

**Clause put and passed.**

**Clause 9: Application of Fund —**

**Hon ROBIN CHAPPLE:** I have an amendment standing in my name on the supplementary notice paper, which I will move, but I indicate that I want to make further comments on this clause. I move —

Page 5, line 14 — To insert after “Treasurer’s concurrence” —

and having reasonably considered the advice of the Trust

The insertion of these words certainly means that the intent is that it will not be a decision of the minister and/or the Treasurer. It reflects more broadly what the trust and/or the community might be thinking about the decisions arising from that. I again reiterate that this is about the future of the legislation, not necessarily the here and now.

**Hon WENDY DUNCAN:** This amendment specifically requires that the minister receive advice from the trust prior to authorising expenditure. It could imply that the minister always is required to seek the trust's advice before authorising its expenditure. The advice we have received from parliamentary counsel is that the legislation needs to be clear that the minister can make determinations of his or her own volition in the absence of receiving a recommendation from the trust.

I direct the member to clause 12, which relates to the functions of the trust. Clause 12 requires the trust to provide advice and make recommendations to the minister in accordance with clause 9(1). It is covered, we believe.

**Hon KEN TRAVERS:** The opposition will support the amendment moved by Hon Robin Chapple. I think he makes absolute sense. This is about ensuring that country people have a say in the way that the money is expended. The parliamentary secretary has pointed out that the trust is there to provide advice on these matters to the minister. The amendment does not say that the minister must do what the trust says, but says that the minister must reasonably consider the advice of the trust. I would have thought that that is the whole heart of this bill. As the parliamentary secretary has pointed out, under the provisions of clause 12, that is one of the main functions of the trust. The parliamentary secretary is saying that the government will set up a trust, the main function of which is to provide advice for expenditure under clause 9(1) of the bill. The minister does not even have to reasonably consider it. The minister can refuse to listen to the trust and not let the trust put a view to the minister. I find that extraordinary when considering the parliamentary secretary's arguments about local empowerment and the whole purpose of setting up the trust, and then the parliamentary secretary's saying that she will not back an amendment that says that the minister should at least let the trust have the opportunity to put a case to the Treasurer and the minister. All the minister need do is to get the Treasurer's concurrence and not even consider the advice of the trust. I find that an extraordinary situation when considered against the intent of the bill. I

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believe that to knock this amendment back is going against everything that the parliamentary secretary is saying the bill is there for.

**Hon WENDY DUNCAN:** I reiterate that clause 12 specifically refers to clause 9(1) as far as giving advice to the minister is concerned. We have had advice from parliamentary counsel that the minister must have the ability to make determinations on his or her own volition, as is the case in many other instances.

**Hon Ken Travers:** They can make the decision under the amendment; they have just got to take the advice and consider it.

**Hon WENDY DUNCAN:** The advice is being given under clause 12.

**Amendment put and negatived.**

**Hon ROBIN CHAPPLE:** Amendment 3/9 is actually incredibly important for insertion. Before we go there, could I just ask some questions pertaining to a couple of items prior to that? I indicated that I wanted to speak to clause 9(1)(a). I will move my amendment after I have done so. When providing infrastructure and services in regional Western Australia, as referred to in clause 9(1)(a), will the parliamentary secretary advise what is the determination of services? The paragraph says that it is to provide infrastructure and services in regional Western Australia.

**Hon WENDY DUNCAN:** Is the member asking whether there is a definition of “services” in the bill?

**Hon Robin Chapple:** Can I get your interpretation of what you intend by the word “services”?

**Hon WENDY DUNCAN:** Services are issues such as the fuel card, childcare services and Indigenous health services that come under that general term, where the government provides assistance or services to the people of Western Australia.

**Hon ROBIN CHAPPLE:** Would services include service delivery and upkeep of capital works?

**Hon WENDY DUNCAN:** If the member is referring to the country local government fund as far as capital expenditure on infrastructure is concerned, one of the requirements following the Auditor General’s report is that local governments need to have asset management plans in place when they provide these assets and infrastructure. Maintenance of capital expenditure is probably not included in services in this instance.

**Hon ROBIN CHAPPLE:** If it is not included in this area, is it picked up somewhere else within the bill?

**Hon WENDY DUNCAN:** Not specifically. One of the things that we have been saying in debate this evening is that as soon as we become prescriptive, we narrow the bill. It is not specified anywhere in the bill. If the local priorities and the local decisions being made when it comes to the allocation of funding under the various contestable funds determines that a particular service needs to be delivered or maintenance provided, it may well be delivered if it complies with all the criteria of the contestable part of the royalties for regions fund.

**Hon ROBIN CHAPPLE:** Within that contestable area, is there provision for people to apply for maintenance and upkeep and/or service delivery and not just capital expenditure?

**Hon WENDY DUNCAN:** Maintenance and upkeep and recurrent expenditure are not the preferred items for expenditure from royalties for regions. That is why there is a requirement for local governments to have an asset management plan in place if they are going to build assets that require maintenance, and they must have considered the implications of the maintenance of an asset into the future.

**Hon ROBIN CHAPPLE:** I thank the parliamentary secretary for that clarification.

I refer to clause 9(1)(c), which states —

to maximise job creation and improve career opportunities in regional Western Australia.

Is the definition of job creation about the establishment of industries or is it about the establishment of apprenticeship systems or work that can be put on the ground or is it job creation by capital development?

**Hon WENDY DUNCAN:** It could be any of those. As with most of the bill, this clause is broad. I think we can already see examples in the funding that has been delivered up until now of all of those things that Hon Robin Chapple mentioned; that is, training opportunities, assisting businesses to establish so that jobs are created and the construction of capital projects so that jobs are created. It could be all of those.

**Hon ROBIN CHAPPLE:** Could some of this funding go towards support systems for an employment regime?

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**Hon WENDY DUNCAN:** I am not 100 per cent sure what the member means by support systems for workers, but I can say that there are examples—for instance, the Aboriginal development package in the Ord—of programs where the focus is to create an environment in which there will be job opportunities and opportunities for advancement for Indigenous people. But, as I mentioned previously, we do not want royalties for regions to pay for recurrent costs, particularly for government services such as nurses and for normal government employees who are placed throughout the regions and in the metropolitan area.

**Hon ROBIN CHAPPLE:** I think I am getting it, but I want to clarify it. If an area within Ord stage 2 were to be subject to a large amount of land clearing, could the money be used to fund employment to do that land clearing?

**Hon WENDY DUNCAN:** The example that the member uses is one in which funding would be allocated to a project. Flowing from that project would almost inevitably be employment. But at the end of that project, there will not be a commitment to continue to provide that employment.

**Hon ROBIN CHAPPLE:** I move —

Page 5, after line 22 — To insert —

- (2) Subject to subsection (3), in authorising the expenditure of money standing to the credit of the Fund, the Minister must give preference to those projects or causes that —
  - (a) enhance basic living needs including health services, housing availability and education availability; and
  - (b) address socio-economic disadvantage experienced by Indigenous people.
- (3) At least 30% of the money spent out of the Fund in each calendar year must be spent on or in relation to projects or causes that —
  - (a) benefit or protect the environment; and/or
  - (b) relate to the generation of renewable energy.

The rationale for this amendment is important. I am genuinely trying to ensure that royalties for regions is more expansive than, and is not limited to, just what is listed in clause 9(1)(a), (b) and (c). I believe, from the people whom I have talked to in the electorate, that they see royalties for regions as being about enhancing basic living needs, including health services, housing availability and education. They also see royalties for regions as being about addressing socioeconomic disadvantage by Indigenous people—which, again, really puts the notion of Indigenous people into this piece of legislation. This amendment provides that at least 30 per cent of the money that is spent from the fund in each calendar year must be spent on projects and causes that benefit or protect the environment and/or relate to the generation of renewable energy. I have already heard the minister's position on that, and I am more than happy to drop subclause (3) from the amendment and just leave subclause (2) for insertion, because I think subclause (2) really enhances the application of the fund in this regard.

**Amendment altered.**

**The DEPUTY CHAIRMAN (Hon Jon Ford):** Hon Robin Chapple has now moved —

Page 5, after line 22 — To insert —

- (2) Subject to subsection (3), in authorising the expenditure of money standing to the credit of the Fund, the Minister must give preference to those projects or causes that —
  - (a) enhance basic living needs including health services, housing availability and education availability; and
  - (b) address socio-economic disadvantage experienced by Indigenous people.

**Hon KEN TRAVERS:** I just want to indicate that, again, we could probably formulate some better wording to achieve Hon Robin Chapple's aim, but we are getting a clear signal from the government that it will not accept any amendments, and that it is not prepared to engage in any discussion on amendments. In light of that, the opposition will support the principle involved here by supporting the amendment moved by Hon Robin Chapple. The parliamentary secretary has said that the government does not want to narrow the focus by putting in particular words, but I think the existing words have probably narrowed it already. Does the parliamentary secretary believe that those words allow the government to fund something for the protection of the environment in regional Western Australia even if it is not a piece of infrastructure or a service, it does not develop or broaden

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the economic base, and it does not have anything to do with maximising job creation or career opportunities? Will the government still be able to do something that will benefit the environment in regional Western Australia by using this fund?

**Hon WENDY DUNCAN:** I think that we would all agree that if we do not protect the environment, there is no way we can develop and broaden our economic base, because the question of sustainability is involved in efforts to do that.

**Hon Ken Travers:** The words are very narrow. The provision reads “develop and broaden the economic base”, not “develop or”.

**Hon Robin Chapple:** There is nothing in it about sustainability.

**Hon WENDY DUNCAN:** The economic base cannot be developed and broadened if environmental considerations are not taken into account.

**Hon Ken Travers:** Yes, it can. You could develop and broaden the economic base tomorrow and not take environmental considerations into account.

**Hon WENDY DUNCAN:** Do I respond to the amendment at this point?

**The DEPUTY CHAIRMAN:** You can choose to respond to the amendment, or you can choose to not respond.

**Hon WENDY DUNCAN:** Thank you for that advice; I appreciate that.

In relation to Hon Robin Chapple’s amendment, one of the risks of becoming too specific is that the bill can actually be limited. As an example, I refer to subclause (2)(a) of the amendment, which refers to enhancing basic living needs. I think people in regional Western Australia are actually entitled to more than basic living needs, and we should not limit ourselves to that. Also, in reference to the part about addressing socioeconomic disadvantage experienced by Indigenous people, I am sure that we all hope that one day we will not need to address socioeconomic disadvantage experienced by Indigenous people, because they will no longer be disadvantaged. That is what we are working towards. The member never knows, we might find that we get to a point with our royalties for regions money that we need to address the socioeconomic disadvantages of ex-Rio Tinto employees. We do not want to limit the scope of how we can deliver to regional Western Australia.

**Hon ROBIN CHAPPLE:** I think the point we are making is that paragraphs (a), (b) and (c) are extremely narrow and do not provide, in my view, for any of the issues that were eloquently expressed in the royalties for regions policy at the time of the election, when the National Party talked about it fixing some of the problems for Indigenous communities.

**Hon WENDY DUNCAN:** I note Hon Robin Chapple’s comments, but the government believes that those items are sufficient.

**Amendment put and negatived.**

**Hon KEN TRAVERS:** I move —

Page 5, after line 22 — To insert —

- (d) to ensure regions which generate royalties income are provided with infrastructure and services which enable them to sustain long-term diverse populations.

There is no doubt that the debate that surrounded the generation of the Royalties for Regions Bill was about the fact that many areas in regional Western Australia produce significant royalty income. These areas are the powerhouse of Western Australia; the towns that produce the royalties have been driving the economy of this state. However, at the same time these are the towns that have suffered probably with some of the issues that the parliamentary secretary has talked about, and Hon Robin Chapple talked recently about the massive rents that are being charged in some of these communities. It is the regions of Western Australia that are producing the royalties that have probably suffered the greatest through the stresses of growth and development and in trying to manage that growth and development over the past couple of years. When we listened to all the contributions made by members, we heard that that was one reason why this bill was introduced. However, there is nothing in the bill to actually guarantee that the regions producing the royalties will get a benefit. I do not know how many times in this chamber I have used the example of Collie and the Coalfields highway. The government promised it would upgrade the road. It was included in the government’s first midyear review but was then pulled out of the budget. When we go along the Collie Coalfields highway, we pass Worsley, Muja, Perdaman and the Shotts

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industrial estate, for which we partially revoked the state forest yesterday. They are all good royalty-generating, income-producing projects in that region, and it is not even getting basic road infrastructure!

**Hon Robyn McSweeney:** You could've done it.

**Hon KEN TRAVERS:** This government promised it and it is not delivering, Hon Robyn McSweeney! Move forward; do not keep talking about the past and deal with the promises that this government has made and the fact that it is not delivering them.

The Labor Party is moving this amendment because we support the argument. We put significant investment into those areas. We put significant investment into Geraldton so that it could start to produce royalties. We put significant investment into the north west and into Collie. Under this bill, which is about royalties for regions, the regions that produce the royalties have no guarantee that that money will go back into those regions for the purpose of allowing them to sustain long-term diverse populations so that we can grow the north west and actually get it to the point at which the towns and regions are built on not only the mining industry, but also other diverse economic bases and a long-term population. One of the problems we have in places like Karratha, which is experiencing a massive increase in rents, is that only the oil and gas and mining industries are the primary generators of the economy. When they go into boom, it applies immense pressure. We all know that with something like the Gorgon project, the construction phase will create thousands of jobs, but the ongoing operation of it will only produce jobs in the hundreds. We need to try to diversify those populations to provide a broader pool. When there is a diverse population and a broader pool, those peaks and troughs can be evened out, and we will not get some of the extremes that we often see in mining towns. For those reasons, the Labor Party supports this bill. We support the principle, and we support the argument that was being put forward. We argue that the previous government was doing it, but we believe that if we are to pass such a bill, it must ensure that the regions that produce the royalties are at least guaranteed funding to ensure they can sustain long-term diverse populations. I would have thought that everybody in this chamber would agree to that proposition, and I think it is fundamental that we insert it into the bill to ensure that those regions will in the future get their fair share. This bill is about guaranteeing that the regions get their fair share. The regions that produce the royalties should absolutely be guaranteed that they get their fair share.

**Hon ROBIN CHAPPLE:** We will certainly be supporting this amendment. As someone who has lived in, and been a councillor in, Port Hedland, and served on the Country Shire Councils Association for many years, this area has certainly been devoid of assistance for many years. I have worked with councils and local authorities and many organisations. The former member for Pilbara, Larry Graham, also fought long and hard along with local government to get redress for the area. The area suffers tremendously because of state agreement acts under which the local authorities cannot rate regional mines, to the point that the shires are almost operating at deficit budgets all the time because of the mining industry. It is extremely important that at least a significant portion of the royalties generated in that region go back into that region. Those communities have been crying out long and hard. I know that the regional Pilbara group of local governments still does so and fights on for conditions to be improved in that area.

**Hon WENDY DUNCAN:** I acknowledge the point that the honourable member has made, but if the expenditure continues at this rate, as shown on this chart, then the areas that are creating all the royalties will hopefully become normalised and more functional, and we can turn our attention to other areas.

**Hon Ken Travers:** Let's put it in the bill, then.

**Hon WENDY DUNCAN:** No, because once the dysfunction is dealt with, the legislation will require us to continue to expend the funds there. I seek leave to table this chart describing how the funding is being expended.

Leave granted. [See paper 1579.]

**Hon KEN TRAVERS:** If we are doing it, then I do not see a problem with us putting it in the bill. The argument is that when we get these regions to a point at which they are normalised, and they are sustaining long-term diverse populations, there is no requirement for any more money to be put in over and above that for other areas. That is the way that this amendment is written. It is about making sure that those regions have the ability to sustain long-term diverse populations. The parliamentary secretary's argument that somehow the government will be required to continue to fund those regions forever and a day once it has achieved great things is a fallacy. That is not what this amendment is saying; it is saying that until those regions are equal to other areas, and to maintain equality and sustain a long-term diverse population, they should be given priority for this funding. The parliamentary secretary's response is not correct and she did not understand this amendment. I urge her to reconsider her opposition to it.



**Extract from Hansard**  
[COUNCIL - Wednesday, 25 November 2009]  
p9717b-9754a

Hon Mia Davies; Hon Helen Bullock; Hon James Chown; Hon Alison Xamon; Hon Max Trenorden; Hon Dr Sally Talbot; Deputy President; Hon Col Holt; Hon Wendy Duncan; Hon Ken Travers; Deputy Chairman; Hon Robin Chapple; Amendment altered.; Clause 10: Annual Report Of Department To Include Information About Fund —

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I wonder whether I am going to get a response.

**Hon Wendy Duncan:** I have responded.

**Hon KEN TRAVERS:** The parliamentary secretary gave a response and I have just pointed out that her response was not correct. If she wants to give us another response about that or does not want to respond, that is fine; I will assume that she does not have an answer to the points that I made in response to her claims.

Amendment put and a division held, the Deputy Chairman (Hon Jon Ford) casting his vote with the ayes, with the following result —

Ayes (12)

Hon Matt Benson-Lidholm  
Hon Robin Chapple  
Hon Kate Doust

Hon Sue Ellery  
Hon Jock Ferguson  
Hon Jon Ford

Hon Lynn MacLaren  
Hon Sally Talbot  
Hon Ken Travers

Hon Giz Watson  
Hon Alison Xamon  
Hon Ed Dermer (*Teller*)

Noes (17)

Hon Liz Behjat  
Hon Jim Chown  
Hon Mia Davies  
Hon Wendy Duncan  
Hon Phil Edman

Hon Brian Ellis  
Hon Donna Faragher  
Hon Philip Gardiner  
Hon Nick Goiran  
Hon Alyssa Hayden

Hon Col Holt  
Hon Robyn McSweeney  
Hon Michael Mischin  
Hon Norman Moore  
Hon Simon O'Brien

Hon Max Trenorden  
Hon Ken Baston (*Teller*)

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Pairs

Hon Ljiljanna Ravlich  
Hon Helen Bullock  
Hon Adele Farina

Hon Nigel Hallett  
Hon Peter Collier  
Hon Helen Morton

**Amendment thus negated.**

**Hon ROBIN CHAPPLE:** I move —

Page 5, line 25 — To insert before “expenditure”  
reasonable

Page 5, line 27 — To insert before “expenditure”  
reasonable

Page 6, line 1 — To insert before “expenditure”  
reasonable

The reference appears in three locations so I will deal with all the amendments together, if I may.

**Hon KEN TRAVERS:** The opposition will support these very reasonable amendments.

**Hon ROBIN CHAPPLE:** I thank Hon Ken Travers. The reason we want to insert “reasonable” into each paragraph is for it to go some way towards ensuring that there is some control over the amount of fees that may be deducted from the fund. Currently, there is no control; it is just expenditure incurred. With the insertion of the word “reasonable”, under law, some control will be applied.

**Hon WENDY DUNCAN:** The fee is covered by normal Department of Treasury and Finance administrative controls. We believe this amendment is unnecessary and should not be supported.

**Hon ROBIN CHAPPLE:** We maintain that there should be some control over the amount of administrative fees that can be deducted from the fund. At the very least, those fees should be reasonable. These amendments are to assist in that deliberation. Without “reasonable”, there could be totally unreasonable expenditure.

**Amendments put and negated.**

**Clause put and passed.**

**Clause 10: Annual report of Department to include information about Fund —**

**Hon ROBIN CHAPPLE:** I move —

Page 6, line 9 — To insert after “year” —

**Extract from Hansard**

[COUNCIL - Wednesday, 25 November 2009]

p9717b-9754a

Hon Mia Davies; Hon Helen Bullock; Hon James Chown; Hon Alison Xamon; Hon Max Trenorden; Hon Dr Sally Talbot; Deputy President; Hon Col Holt; Hon Wendy Duncan; Hon Ken Travers; Deputy Chairman; Hon Robin Chapple; Amendment altered.; Clause 10: Annual Report Of Department To Include Information About Fund —

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, which information must include —

- (a) the total amount of money credited to the Fund since the last annual report; and
- (b) the total amount of money spent from the Fund since the last annual report; and
- (c) an itemised list of —
  - (i) the causes and projects upon which money in the Fund was spent since the last annual report; and
  - (ii) the amount of money spent on each of the causes and projects provided under subparagraph (i); and
- (d) details regarding —
  - (i) which of the causes and projects provided under paragraph (c) enhance basic living needs or address socio-economic disadvantage experienced by Indigenous people; and
  - (ii) the total amount of Fund money spent on projects or causes that enhance basic living needs since the last annual report; and
  - (iii) the total amount of Fund money spent on projects or causes that address socio-economic disadvantage experienced by Indigenous people since the last annual report; and
  - (iv) what the total amounts provided under subparagraphs (ii) and (iii) are as a percentage of the total amount of money spent from the Fund since the last annual report; and
- (e) details regarding —
  - (i) which of the causes and projects provided under paragraph (c) benefit or protect the environment and which relate to the generation of renewable energy; and
  - (ii) the total amount of Fund money spent on projects or causes which benefit or protect the environment since the last annual report; and
  - (iii) the total amount of Fund money spent on projects or causes which relate to the generation of renewable energy since the last annual report; and
  - (iv) what the total amounts provided under subparagraphs (ii) and (iii) are as a percentage of the total amount of money spent from the Fund since the last annual report

The amendment standing in my name is fairly long and I do not think it is in our interests to read it all. My reason for moving this amendment is that it increases the reporting obligations so that we can track the type of projects that will receive money from royalties for regions. This amendment inserts a series of provisions after the word “year”. I believe the amendment deals with a number of issues that we have all been concerned about. Currently the bill does not require the minister to report the level of RFR spending in any detail. Although we assume that the details will be kept, there is no obligation that those details will be included in the departments’ annual reports. This in turn means that the minister of the day—a minister in the future—is not particularly accountable for how the RFR funds will be spent. Also, there is no way of measuring how successful the RFR spending has been or even what it has been spent on. In that regard, we have introduced this fairly lengthy amendment that will require the minister to detail in the department’s annual report how much RFR money has been collected and spent in the past year; exactly which causes received money and how much money those causes received; the portion of total funds spent on the causes that enhance basic living needs or address socioeconomic disadvantage experienced by Indigenous people; and the proportion of total funds spent on projects or causes that benefit or protect the environment and which relate to the generation of renewable energy. These amendments will allow us to track how the RFR funds are being spent. This will reduce the likelihood of pork-barrelling in certain electorates and introduce a measure of transparency that is lacking in the bill. I commend this significant amendment because it does what the Auditor General says should be done and what the twentieth report of the Standing Committee on Estimates and Financial Operations relating to inquiry into the royalties for regions policy suggested. This amendment will correct a legislative oversight.

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**Hon WENDY DUNCAN:** The requirements of this amendment are already covered through the Financial Management Act. That tool requires that annual reporting be consistent across government. Therefore, we believe that this amendment is overly prescriptive and should not be supported.

**Hon KEN TRAVERS:** I think the information contained in Hon Robin Chapple's amendment is the sort of information that we should expect. I certainly would appreciate, not necessarily now but at some time in the future, the parliamentary secretary giving us an indication of what information the government intends to provide as part of the annual report.

Although we will not get to it until later, I will quickly advise that we will propose a new clause 10A, which recommends that, rather than going down the path proposed by Hon Robin Chapple, there should be more regular reporting than on just an annual basis; it should be on a six-monthly basis. My proposed amendment will require more detailed information on the subsidiary accounts and all expenditure that has been approved and expended in the previous six months. That is the approach that the Labor Party will take on these matters.

I believe that Hon Robin Chapple's amendment is over-prescriptive. I would go down the path of more regular reporting that includes the information that is contained in proposed new clause 10A.

**Hon WENDY DUNCAN:** Regular reporting is achieved through the budget, the midyear report and the annual report. Therefore, there are three reports during a year.

**Hon ROBIN CHAPPLE:** We are slowly getting the idea that the parliamentary secretary will not accept any amendments. Has the parliamentary secretary been instructed that she is not to accept any amendments, or will it be a deliberation of this chamber?

**Hon Simon O'Brien:** The chamber will decide. It is not up to the parliamentary secretary to decide.

**Hon WENDY DUNCAN:** Yes; we are here in this chamber to consider these amendments and we are listening to the points put and we are voting on them.

**Amendment put and negatived.**

**Clause put and passed.**

**Clause 11 put and passed.**

**Clause 12: Functions —**

**Hon ROBIN CHAPPLE:** I advise members that I will not proceed with the amendment standing in my name on the supplementary notice paper.

**Hon KEN TRAVERS:** If that is the case, I will move the amendment standing in my name on the supplementary notice paper. I move —

Page 7, after line 10 — To insert —

- (ba) to provide advice and make recommendations on prioritization of proposals for expenditure under the subsidiary accounts specified in section 5(1); and

This amendment will give purpose and meaning to the Western Australian Regional Development Trust. The trust is being set up, but currently it is limited to clause 5(2), under which the Treasurer determines, from time to time, the way in which money standing to the credit of the fund is to be allocated between the subsidiary accounts. We would like to see the trust making recommendations not only on how the money is split up, but also on the prioritisation of the proposals for expenditure under each of those funds. If we are to set up a trust that is to provide advice to the minister involving people with a regional development background, we should give them a meaningful role. As I said earlier on other clauses, it does not mean that the minister must take the advice, but I would have thought that at the very least the minister should be required to get the advice on the prioritisation of proposals for expenditure under each of the subsidiary accounts in clause 5(1). That is what this amendment does; it gives meaning and purpose to the Western Australian Regional Development Trust.

**Hon WENDY DUNCAN:** The existing clause does not prevent this type of advice being provided. Therefore, we consider the amendment unnecessary.

**Hon KEN TRAVERS:** Nothing stops the minister asking for advice on these matters, but what we are saying is that the minister must be required to. As the bill operates at the moment, other than for clauses 5(2) and 9(1) under which the trust may provide advice, the only other advice it can provide is if it is requested to do so by the

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minister. It has to be referred to the trust by the minister. We are saying that it should not have to be referred to the trust but it should be automatic that the trust is asked to provide the advice.

**Amendment put and negatived.**

**Clause put and passed.**

**Clause 13: Membership —**

**Hon KEN TRAVERS:** I move —

Page 7, line 17 — To insert after “commission” —

of a region that has been a significant generator of the State’s royalty income over the preceding three years

This is about providing benefits to the regions that have produced the royalties. At the very least, the chairperson of a regional development commission who sits on the trust should have three years’ experience and come from one of the royalty-producing income regions of the state. Again, if we accept the argument, and we have, that those regions that produce royalties should be getting a benefit back as a result of that royalty production, we should be ensuring that the trust has a representative from a development commission who comes from one of the regions that have produced those royalties.

**Hon WENDY DUNCAN:** This amendment is inconsistent with the rotation of appointments between development commissions. We are endeavouring to achieve a collegiate approach, so we do not support this amendment.

**Hon ROBIN CHAPPLE:** We will be supporting the amendment. It is possible that we could amend the word “significant” to change the meaning to a region that was one of the five main contributors over the preceding three years. Again, it is an amendment that we think has a great deal of validity, especially in relation to the area that generates most of the royalty provision, and that is the Pilbara.

**Amendment put and negatived.**

**Hon ROBIN CHAPPLE:** I move —

Page 7, line 19 — To delete “at least 3 but not more than 5 other people,” and insert —

- at least one expert in the area of regional health services, regional housing or regional education; and
- (c) at least one expert in the area of socio-economic disadvantage experienced by Indigenous people; and
- (d) at least one expert in the area of environmental protection or renewable energy generation; and
- (e) not more than 2 other people,

This amendment will provide an identified broad suite of representatives on the trust rather than a trust that could be configured with just about anybody.

**Hon WENDY DUNCAN:** The problem with this amendment is that by having the words “at least one expert” in paragraphs (c), (d) and (e), there would be no limit to the number of board members in the trust. Also, under clause 13(4), the minister is required to ensure that members of the Trust have that broad range of knowledge and experience.

**Hon ROBIN CHAPPLE:** On what basis will those “at least 3 but not more than 5 other people” be appointed by the minister?

**Hon WENDY DUNCAN:** That is described in clause 13(4). They are people who have between them the knowledge and experience needed to enable the trust’s functions under the act to be effectively performed.

**Hon ROBIN CHAPPLE:** Therein lies the problem. The subclause is so broad that members of the trust could be just about anyone of the minister’s choosing. They may have no knowledge of the regions whatsoever or of what we are trying to do with this legislation.

**Amendment put and negatived.**

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**Hon ROBIN CHAPPLE:** I wish to move my next amendment, which seeks to delete “(1)(b)” and insert “(1)(e)”. Sorry; that is a subsidiary.

**The DEPUTY CHAIRMAN:** I think that amendment falls away after the previous amendment was negatived.

**Hon KEN TRAVERS:** I move —

Page 7, lines 24 and 25 — To delete the lines and insert —

- (3) The Minister must consult with the Leader of the Opposition on an appointment made under subsection (1)(b).

This amendment will remove the ability to appoint a CEO as one of the three members of the trust but at the same time require the minister to consult with the Leader of the Opposition when filling these positions.

As we know, people come and go. This legislation will be around for a long time. I am sure there will be times when members on the government side will want to participate in the choice about the people who will go onto this trust. This is a very good amendment. Earlier, the parliamentary secretary used the term “collegiate approach”. This amendment will add to that collegiate approach. It will ensure that the trust will be able to claim that it has a mandate not just from one political party, but from both sides of politics in Western Australia. That will enhance the trust. It will give it a greater degree of credibility in the decisions that it makes. We are not talking just about today; we are talking about the future. If this bill lasts for as long as the Police Act, in 2122, people will still be talking about the Royalties for Regions Bill.

**Hon Simon O’Brien:** We will still be trying to pass the Royalties for Regions Bill!

**Hon KEN TRAVERS:** Interjections are not going to speed it up, minister no matter how humorous they are—or how hubris they are, sometimes, as well in this place.

I urge the government to accept this amendment. I think the government will find over the life of this legislation that it will be a very good amendment for this trust to be able to say that it had the endorsement of both sides of politics. Again, it is only about consultation, but there are many acts that contain these provisions—the Corruption and Crime Commission Act, and a range of other areas—whereby it is important to be able to demonstrate that a body is above just being a subsidiary of a political party or a warhorse for politicians. I am not talking about the specifics of today; I am talking about the life of the bill. I am sure there will be times when the National Party and the Liberal Party are sitting on the opposition benches, and they will then be required to be consulted under this amendment.

**Hon ROBIN CHAPPLE:** Again, we will support the amendment. This is an extremely inclusive amendment. It means that there will be a bipartisan approach to royalties for regions. That will augur well for the future in providing checks and balances, regardless of whichever party may be in this place or the other place in the future.

**Hon WENDY DUNCAN:** I have consulted with the Minister for Regional Development on this amendment. The minister is more than happy to consult with the Leader of the Opposition on this appointment, but he does not consider it appropriate to put this amendment into the bill.

**Hon KEN TRAVERS:** I appreciate the comment, but if the minister is going to consult with us, put it into the bill. Just as a very quick example, I remember when Hon Norman Moore insisted that the then opposition have a majority on the estimates and financial operations committee, and he insisted that we put that into the standing orders. We agreed to that. That meant that when the sides of politics changed, that opposition majority was a requirement under the standing orders. I urge the parliamentary secretary to reconsider her position, because I appreciate her comment that the minister will consult with us —

**Hon Simon O’Brien:** The opposition did not have a majority! You rigged it so that you had your greenie mates on there!

**Hon Ken Travers:** It was a non-government majority! That is as it is now, and that was the requirement for it. That was done at the request of Hon Norman Moore. Although at the time we were saying that that would be the case, Hon Norman Moore requested that we put it into the standing orders, and that has stood the test of time and continues to this day. While I appreciate what the parliamentary secretary has said, I could give a similar commitment today, but it might be worthless, because someone else might be in my position in the future. This amendment will guarantee that when those roles change, that requirement is still there. Therefore, I would say that if that is what the parliamentary secretary wants to do, it is silly of her not to support this amendment,

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**Amendment put and negatived.**

**Hon ROBIN CHAPPLE:** I withdraw amendment 11/13; it has no more validity. I move —

Page 8, line 1 — To insert before “The Minister” —

Without limiting section 13(1),

This amendment goes to the issue of the Regional Development Trust, and the ability of the board of the trust to be able to provide advice to the minister. The amendment makes clear, without limiting the effects of section 13(1), how the minister can ensure that the members of the board have, between them, the knowledge and experience needed to enable the trust to function.

**Hon WENDY DUNCAN:** We consider this amendment to be overprescriptive, and we will not be supporting it.

**Amendment put and negatived.**

**Clause put and passed.**

**Clauses 14 to 19 put and passed.**

**Clause 20: Remuneration and allowances —**

**Hon ROBIN CHAPPLE:** I move —

Page 10, line 7 — To insert before “remuneration” —  
reasonable

The reason for this amendment is that, as outlined in clause 20 —

Members are entitled to any remuneration and allowances that the Minister may from time to time determine on the recommendation of the Minister for Public Sector Management.

The words “any remuneration” set alarm bells ringing, and we think that by inserting the word “reasonable”, it will create an expectation that the salaries will not be overly generous.

**Hon WENDY DUNCAN:** This amendment is unnecessary because the bill states that recommendation is required from the Minister for Public Sector Management; also, numerous administrative and governance controls apply to remuneration and allowances for boards and committees that provide sufficient oversight without this amendment.

**Amendment put and negatived.**

**Clause put and passed.**

**Clauses 21 to 23 put and passed.**

**Clause 24: Disclosure of interests —**

**Hon KEN TRAVERS:** I want to make a couple of comments about this clause, and it would be remiss of me if they were not made on behalf of Hon Adele Farina, who is away on urgent parliamentary business. I think this is an amazing clause. During our briefing we asked whether we could get some examples of other legislation in which similar pecuniary interest provisions are provided, certainly for an organisation like this that will make recommendations on large sums of money. Clause 24(4) states —

A member who has made a disclosure of an interest in a matter, or in respect of whom a determination has been made in relation to a matter, may take part in the consideration or discussion of the matter, but not in advising or making a recommendation to the Minister on the matter.

It simply seems extraordinary that people who have an interest will be able to remain in the room and be a part of the discussions; they will just be unable to be a part of the final vote. If people in local government have a pecuniary interest in matters, they declare it; and unless it is a very minor interest and is not held in common with the people around them, they are required to leave the chamber. The way in which this clause is structured will allow people who have declared an interest to remain in the room and continue to participate in the discussions. I would have thought that anyone who made such a personal disclosure would leave the room if he had any personal integrity. I must say that I will, and I expect Hon Adele Farina will, monitor very closely the decisions that are made by this trust and whether people disclose an interest. Regardless of whether this provision allows it, we will question the integrity of people who remain in the room and continue to participate

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in discussions about matters in which they have a pecuniary or other interest that will lead to recommendations being made by this trust. I simply find this to be an extraordinary clause.

**Hon WENDY DUNCAN:** We have parliamentary counsel's advice that says that there is a lack of clarity of what is meant by "other interests". Under clause 26 the trust has the ability to determine meeting procedures in addition to the requirements of division 3. Other interests might be better dealt with through the trust determining additional disclosure processes rather than prescribing them in the legislation. Therefore, we consider that the amendment is unnecessary and it will not be supported.

**The DEPUTY CHAIRMAN (Hon Jon Ford):** Hon Robin Chapple, would you like to move both these amendments together?

**Hon ROBIN CHAPPLE:** Certainly. I was puzzled why I got the answer from the parliamentary secretary before I had moved the amendments. I move —

Page 11, line 2 — To insert after "pecuniary" —  
or other

Page 11, line 9 — To insert after "pecuniary" —  
or other

The reason for these amendments is that most contracts these days that deal with pecuniary interests in the business sector normally include those words because there are many other interests that now come into play in the courts that go beyond the distinct definition of "pecuniary". It could be a family relationship or a business relationship that may have no pecuniary interest, and that is now a common occurrence in legislative practice.

**Amendments put and negatived.**

**Hon KEN TRAVERS:** I did not get a response to the point I raised earlier. I would specifically like the parliamentary secretary to identify other legislation that has a similar provision allowing someone having disclosed an interest to remain in the meeting for the purpose of the consideration of or discussion on the matter. It is certainly not in the Local Government Act.

**Hon WENDY DUNCAN:** We are following the advice of parliamentary counsel on this amendment. I am not aware of other legislation that the member has requested me to advise him on. I am happy to get that advice at some other stage and give it to the honourable member.

**Hon Ken Travers:** Do you consider that it is an appropriate course of action for someone having declared a pecuniary interest to stay in the room for the discussions?

**Hon WENDY DUNCAN:** The bill provides that the person will not actually vote on the matter. I will take some advice.

I draw the attention of the member to clause 24(4), which states that the person who has disclosed an interest "may take part in the consideration or discussion of the matter, but not in advising or making recommendations to the minister on the matter".

**Hon KEN TRAVERS:** I understand that, but the point I am making is that that provision states that a person who has declared an interest can participate in the discussion, and I think someone said that the person cannot vote on the matter. It is fine to say that parliamentary counsel advised this, but as someone pointed out earlier, it is for this chamber to make the decision and the question is: do we consider, and does the parliamentary secretary consider, that it is appropriate for someone having disclosed a pecuniary interest to stay and participate in and therefore influence the discussions, although not vote on the matter? Someone being in a meeting and having influence when he has a pecuniary interest can affect that decision and bring into question that decision as much as if he had voted on it. I believe that the way this is written does not give the chair, as some of the discussion going on in the back of the chamber was suggesting, the right to make a decision, because the way in which this clause is written puts the onus on the person to make that decision. As I pointed out earlier, I for one will certainly be monitoring and watching people who remain in the room once they have disclosed an interest.

**Clause put and passed.**

**Clauses 25 to 32 put and passed.**

**New clause 6A —**

**Hon KEN TRAVERS:** I move —

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Page 4, after line 13 — To insert —

**6A. Country Local Government Fund**

- (1) Each local authority wishing to apply for funding under the Country Local Government Fund must each year set out a strategic plan for the next four years for the provision of infrastructure and services by that authority. The format of the strategic plan will be established by regulation.
- (2) The strategic funds can only be allocated under the Country Local Government Fund to projects identified as part of a local authority's strategic plan.
- (3) Priority will be given to funding where a local authority can demonstrate that it has worked with other local governments within their region to develop a coordinated plan for the provision of infrastructure or services for which funding is sought.
- (4) Any funding formula used for the Fund must not discourage local authorities from engaging in a rationalization of boundaries or services.
- (5) The Minister for Local Government is to be provided with the opportunity to comment on all proposed allocations under this fund before they are made.

We support the concept of local empowerment, but we also believe that there must be some level of accountability at a local level. We believe that local governments should set out strategic plans over a four-year period, and that the money that they get from this fund can be expended on those items. That would still provide for local empowerment, but it would prevent ad hoc decision making outside a strategic framework. We believe this is a very important measure to ensure that the country local government fund has some credibility. Earlier in debate members were getting upset about the way in which people were attacking individual decisions or plans or the way in which amounts of money have been spent. I believe this new clause will go a long way to ensuring that that is protected. If local governments set out four-year strategic plans, some of those claims that were made earlier will dissipate, because it will be seen to be part of a strategic function determined at a local level, not on a whim of local councillors or whoever gets in the ear of the chief executive officer to get the decision through in any given year. I certainly urge the chamber to support this amendment.

**Hon WENDY DUNCAN:** As I mentioned in my summing up of the second reading debate, the responsible minister has given a commitment to ensure that country local government fund moneys are distributed according to local governments' strategic plans. The fund will be managed in conjunction with the Minister for Local Government. Guidelines and memorandums of understanding will be aligned to the Western Australian Local Government Association's Systemic Sustainability Study report. As has been mentioned, the sentiment of this new clause has been acknowledged, but we believe it will be covered in the guidelines for the fund. We believe this new clause is too prescriptive to be included in the bill and should not be supported.

**Hon KEN TRAVERS:** I think that these sorts of accountability measures are important and should be included in legislation. We have heard comments over the past couple of days about a range of legislation: "Just trust us. We're going to do it. We think it's a good idea. We believe it's the right thing to do, but we're not going to put it into legislation." That seems to be a very strange way of proceeding. If the government believes it and supports it, it should be in legislation. This new clause would ensure that not only this government, but also future governments have to do it. I note the parliamentary secretary's comments about sustainability. This is about ensuring that local governments work together in the provision of their resources, which I forgot to mention earlier. I think it would be a good initiative, but if the government will not support it, so be it.

**Hon ROBIN CHAPPLE:** It is an interesting amendment, and one the Greens support. We had looked at this in one of our earlier amendments, but it clashed with this one. Given that all those amendments have fallen over, this seems to be the last stop-gap. I am really rather intrigued about the process we are now adopting in this chamber whereby we move meaningful amendments like this one just to watch them go down because there appears to be directions from outside this place that are guiding decisions.

**New clause put and negatived.**

**New clause 10A —**

**Hon KEN TRAVERS:** I move —



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Page 6, after line 2 — To insert —

**10A. Report Prepared by Accountable Authority of Department —**

Without limiting the application of the *Financial Management Act 2006*, every six months a report is to be prepared by the accountable authority of the Department and is to be tabled in the Parliament, setting out in respect to the Fund and each of its subsidiary accounts, all expenditure that has been approved and all monies expended in the preceding six months.

Members can find the reasons for this new clause in *Hansard* when we dealt earlier with the existing clause 10.

**Hon WENDY DUNCAN:** I responded to this at the time the honourable member first raised it. With the process of framing the budget, the midyear review and the annual report, we believe that this is covered and that the amendment would prove to be administratively costly and should not be supported.

**New clause put and negatived.**

**Title put and passed.**

*Report*

Bill reported, without amendment, and the report adopted.

*Third Reading*

Bill read a third time, on motion by **Hon Wendy Duncan (Parliamentary Secretary)**, and passed.